



**CULTURAL ISSUES IN FINNISH AND
CHINESE PRACTICAL BUSINESS TRANSACTIONS**
Case: Varkaus Paper Machine Dismantling Project

Thesis

Yuanyuan Chen

Degree Programme in International Business

International Marketing Management

SAVONIA UNIVERSITY OF APPLIED SCIENCES Business and Administration, Varkaus Degree Programme, option Bachelor of Business Administration, International Business, International Marketing Management		
Author Yuanyuan Chen		
Title of study CULTURAL ISSUES IN FINNISH AND CHINESE PRACTICAL BUSINESS TRANSACTIONS		
Type of project	Date	Pages
Thesis	5.2012	67 + 4
Supervisor of study		Executive organisation
Tuula Linnas		Umacon Oy
Abstract <p>This thesis report is compiled to investigate the cultural issues in modern Finnish and Chinese practical business transactions and aims to figure out some viable suggestions for the business people involved in or thinking about Finnish-Chinese business. In order to do so, business culture theories were carefully studied and a case study, called the Varkaus Dismantling Project, which was an intercultural cooperation between Umacon Oy and Nine Dragons Industries Co., Ltd., was observed.</p> <p>It was found that language is still a very important factor that leads to a communication barrier and improvements in communication cannot simply rely on “international behaviour”. In addition to that, the attitudes towards relationships remain a great source of division between the two cultures. Therefore, looking into the other business partner’s culture before starting the business process is highly recommended.</p> <p>The analysis results also show that when dealing with business issues in Finnish and Chinese cultures, being adaptable is increasingly crucial. On the one hand, different types of jobs require different working skills, not all the types of work require the business people to be communicative, and sometime it is the knowledge of certain techniques that plays a more important role. On the other, it is the business person’s individual personality that highly affects the cross-cultural cooperation. Apart from that, taking time to build trust and relationships will help to achieve the best business results.</p>		
Keywords Key words: cultural issues, Finnish, Chinese, project, interview, communication		
Note		

TABLE OF CONTENTS

1	INTRODUCTION	6
2	FINNISH AND CHINESE BUSINESS CULTURES.....	7
2.1	Necessity of Getting to Know Finnish-Chinese Business Culture	7
2.2	Business Culture Theoretical Background	9
2.3	Getting to know Finland	11
2.4	Getting to Know China.....	24
3	VARKAUS PAPER MACHINE DISMANTLING PROJECT	35
3.1	Project Profile	35
3.2	Cultural Issues in Varkaus Paper Machine Dismantling Project.....	43
4	IMPLEMENTATION OF THE RESEARCH	46
4.1	Interview Plan and Implementation.....	46
4.2	Interviews	46
4.3	Research Result Analysis	54
5	CONCLUSIONS AND EVALUATION OF THE THESIS PROCESS	59

REFERENCES

APPENDICE

Appendix 1: Interview Questions in English

Appendix 2: Interview Questions in Finnish

LIST OF FIGURES AND TABLES

List of Figures

<i>Figure 1. Trade between Finland and China from 2000 to 2005.</i>	7
<i>Figure 2. Finland's national flag.</i>	12
<i>Figure 3. Finland's national coat of arms.</i>	12
<i>Figure 4. The location of Finland.</i>	13
<i>Figure 5. Maximum sunshine duration throughout the year in southern (Helsinki), central (Jyväskylä) and northern (Sodankylä) Finland.</i>	14
<i>Figure 6. A combination of Finnish design and ice hockey: Angry Birds in 5 ice hockey 2012 world championship post cards.</i>	18
<i>Figure 7. China's national flag.</i>	24
<i>Figure 8. China's national emblem.</i>	25
<i>Figure 9. The location of China.</i>	25
<i>Figure 10. An actress in Peking Opera.</i>	28
<i>Figure 11. Spring Festival: Children's joyful festival.</i>	29
<i>Figure 12. In the Varkaus paper machine dismantling project Golden Dragon Equipment Limited is the buyer and Umacon Oy is the dismantler, packer and consigner.</i>	35
<i>Figure 13. The place reserved for containers.</i>	36
<i>Figure 14. Umacon Oy emphasised industrial equipment and machinery demolitions.</i>	36
<i>Figure 15. Umacon Oy has over twenty years experience in complex industrial demolitions.</i>	37
<i>Figure 16. One of the paper machines before it was dismantled.</i>	37
<i>Figure 17. The general VDP process from contracting to shipping.</i>	38
<i>Figure 18. The dismantlement preparations include four important parts.</i>	39
<i>Figure 19. In every piece of dismantlement work, two procedures are strictly followed.</i>	39
<i>Figure 20. Example of a packing list. Due to the length of the document, only part has been chosen.</i>	41
<i>Figure 21. Marking work, including the four basic procedures.</i>	42
<i>Figure 22. An example of an equipment card.</i>	42
<i>Figure 23. The formats of the interviews.</i>	54
<i>Figure 24. Four major practical cultural issues in Varkaus dismantling project.</i>	60

List of Tables

<i>Table 1. A list of Finnish public holidays.....</i>	23
<i>Table 2. Chinese official public holidays.....</i>	34
<i>Table 3. Other legal holidays.....</i>	34

1 INTRODUCTION

Globalisation, a double-edged sword, has brought substantial benefits and challenges to countries around the world, including Finland and China. The increase in international co-operation and trade along with the occurrence of intercultural conflicts has produced business people's thirst for knowledge of business culture.

According to Randlesome, business culture not only refers to 'the state of commercial development in a country' but also embraces much more, like the attitudes, values and norms, and helps to shape the behaviour of companies in a given country. It has been proved that cultural differences in business have a great impact on the accomplishments of a business. The knowledge of business culture plays a vital role in promoting a successful business transaction (Randlesome et al. 1993, preface).

The case study in this thesis is a co-operative Finnish-Chinese project named Varkaus Dismantling Project. It is a project conducted by Umacon Oy, which took place in 2011 between May and October in the Stora Enson papermill, in Varkaus Finland. Simply put, Umacon is the contractor of the project, responsible for dismantling the paper machine and packing the containers ready for shipping to China. The observations are generated from Umacon Oy and its Chinese customer's intercultural communications that happened in the course of the project.

The objective of the thesis process and report is to present the Chinese and Finnish business cultures in a brief way and analyse the most important business cultural issues that need to be especially paid attention to in the actual practice.

In the research analysis and conclusion part, the practical business-cultural issues that frustrate Finnish and Chinese business people when the two try to cooperate will be found. Apart from that, useful suggestions and advice are also given as part of the research results.

A personal interest in both Chinese and Finnish business cultures and the intention to make a useful analysis of Finnish and Chinese business transactions are the two big motivations behind compiling this thesis.

2 FINNISH AND CHINESE BUSINESS CULTURES

2.1 Necessity of Getting to Know Finnish-Chinese Business Culture

Broadly speaking, globalisation has brought Finland and China more close together. Many journals and articles have been written about Finnish and Chinese business cooperation, future trends, Finnish companies in China and Chinese companies in Finland, etc. According to *Finnish Companies Experience Rapid Growth in China* “Finnish-owned corporations are expanding rapidly in China”. More than 200 Finnish companies have been attracted to China as it is the world’s fastest growing economy (Helsingin Sanomat 29.5.2006). A chart placed in the article shows how fast Finnish and Chinese business has grown.

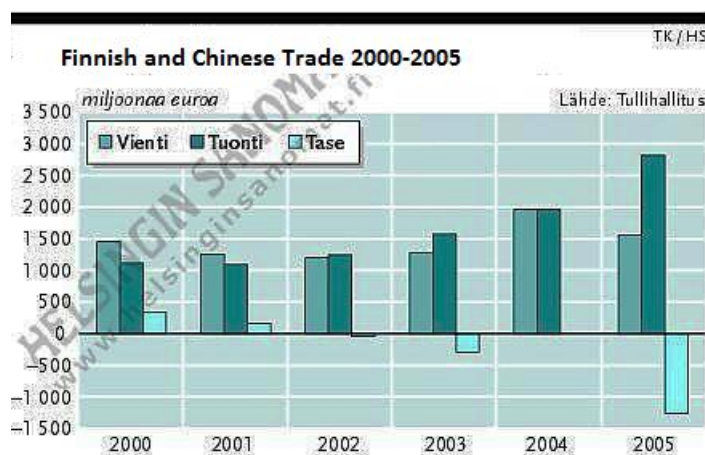


Figure 1. Trade between Finland and China from 2000 to 2005 (Helsingin Sanomat 29.5.2006).

“The graph indicates the development of trade between Finland and China in millions of euros from 2000 to 2005. The column on the left of each year indicates Finnish exports to China, the middle column represents imports from China, and the column on the right indicates the trade balance. The figures are based on information from the National Board of Customs” (Helsingin Sanomat 29.5.2006).

In March of 2011, Matti Heimonen, the Consul General in Shanghai, said that during the Shanghai World Expo the Kirnu pavilion had attracted 5.7 million visitors, which was more than the population of Finland. His words also indicated that there were about 300 Finnish companies in China at that moment. Finnish companies such as FinNode, Finpro and Tekes

and other associations have provided comprehensive support for the Finchi Innovation Centre (Heimonen, 2011). Finnish and Chinese universities and education institutions have worked together to establish a China-Finland Centre in Shanghai. In other words, both Finland and China want to work together to promote common development.

As mentioned before, along with the Finnish government, the Finnish companies as well as Finnish institutions are backing Finland's development in China. Here are some examples for that.

As an educational institution, Aalto University has carried out a three-year research project (2008-2010) called "Globalisation and International Management: Successful Governance of Intercultural Communication in Finnish-Chinese Business Operations", and this was funded by the Academy of Finland and the Chinese Academy of Social Sciences (CASS). The defined project objectives are:

- 1) Main communication-related challenges Finnish companies face in China and Chinese companies face in Finland;
- 2) Main cultural and institutional differences between Finland and China;
- 3) Find out the ways in which communication-related problems are worked out and/or prevented (Aalto University School of Economics 2011).

The above mentioned objectives show, in one aspect, Finnish institution pays attention on Finnish-Chinese business development; in the other, intercultural business communication plays a crucial role, in which cultural issues play an important part; problems can be solved by getting to know each other, including figuring out the Finnish-Chinese business cultural differences.

Another case is from Finnnode. Among Finnnode's ongoing 2011 projects, China plays a major part. These recent projects are listed as "Disaster monitoring services and technologies", "Entertaining China", "China Five-Year Plan", "Factory Automation and High-End Manufacturing", "ICT Road to Electric Networked Vehicles in China" and so on. In these projects, Finnnode continuously pay attention to analysing Chinese business development trends in various areas and emphasising the potential business opportunities for Finnish companies (Finnnode 2011). This indicates that Finnish companies have not lost

interest in discovering and, understanding the Chinese market and searching for business opportunities. Moreover, China is growing rapidly and needs Finland as a co-partner.

On 24 November a Shanghai book launch event was held in the Finnish Business Council Shanghai, a “Joint Chamber Launch: *China’s Needs for Small Northern European Friends*”. The book’s author, Frans van Gunsteren who comes from the Netherlands, said in the book summary “Chinese culture and Western culture have many differences which will not change in the longer term, so matching needs and added value between China and other countries is not easy.” This book launch indicated that China is friendly and open for Nordic countries and this has surely drawn much attention. Cultural differences and problems do exist, however, and need to be paid attention to.

Simply speaking, Finland and China need each other in their future business development. Cultural difference is one of the obstacles that both partners need to conquer, though that is not easy. Intercultural problems can be resolved or avoided, and a shortcut is getting to - know each other’s business culture.

2.2 Business Culture Theoretical Background

Business culture, as the name suggests, is the culture in which people do business and interact with each other. Despite the literal meaning, Collin Randlesome claimed in the preface of his book *Business Cultures in Europe*, “If a country’s ‘culture’ can be defined as ‘the state of intellectual development among a people’, the ‘business culture’ might be held to be ‘the state of commercial development in a country’. But the concept of business culture surely embraces this and much more [...] attitudes, values and norms [...] help to shape the behaviour of companies in a given country” (Randlesome et al. 1993, preface).

Cross-Cultural Business Behaviour Patterns

In *Cross-cultural business behaviour*, Richard Gesteland has divided Patterns of Cross-Cultural Business Behaviour into five groups:

- Deal-Focus vs. Relationship-Focus;
- Informal vs. Formal Cultures;
- Rigid-time vs. Fluid-Time Cultures;
- Emotionally Expressive vs. Emotionally Reserved Cultures.

By describing these five groups, Richard Gesteland has been able to define clearly the business cultures and their business behaviour and has got world-side reorganization as well. One of the comments on his *Cross-cultural business behaviour* is that it is an excellent book providing a solid base to the business person who interacts with different countries and cultures (Dieter Gollnick, Manager Cross Cultural Competence, and Executive Management Development). For the above two reasons, Richard Gesteland's business behaviour patterns will be applied in this thesis to guide writing in order to describe Finnish and Chinese business culture in a simpler and clearer way. However, it is only part of the methods that are used to introduce Finnish and Chinese business culture interactions.

Background Information on Finnish and Chinese Business Cultures

However, before introducing Finnish and Chinese business cultures it is necessary for me to introduce the two countries first. By picturing both Finland and China geographically, historically, economically and even politically I will be able to show a clear picture of what the two countries are really like. Generally speaking, geography, history, economics and government are the four essential factors in knowing a country and each element, taking a relatively strong or weak position in the society, has participated in shaping a country's culture.

Geographically, Finland and China are both located in the Northern Hemisphere but on different continents. Normally, the further two places are from each other, the more significant differences they have. For example, the Arctic and Antarctic have a lot in common: they are both at one of the earth's poles, very cold and have polar days and nights. But in contrast, the Arctic is in the North and the Antarctic is in the South. The point is the geographical position in some degree has a strong effect on local cultural position, especially characterised by the different elements, like penguins never having lived in the North Pole and polar bear never being found in the South Pole. Turning to human society, the huge differences are usually the reasons for building relationships, as in the case with Finland and China. When talking about China, almost any aspect of it that you want to research, you cannot ignore its history. It would be hard to ignore the great influence that feudal officialdom, which refers to the government or politicians had in people's cultural and business lives. There is also a lot to be said about Finland, such as the Swedish impact,

its membership of the EU, its technology and unique language, and so on. So for these reasons the four aspects mentioned in the following chapter are described.

Business Cultural Elements

In order to show the significant Finnish and Chinese business cultural differences I will also take the following factors into consideration: language, shared values, verbal and nonverbal communication and meeting and negotiation style.

Language is especially important as Richard Lewis rightly says in *When Culture Collides*, “different languages different worlds” (Lewis 2008, 3). People start communication by talking to each other, usually, and there the problems are generated. In the following chapters I will say more on this by introducing a case study.

Putting the mentioned pieces together - background information, cross-cultural business behaviour patterns, and other cultural elements - a theoretical framework has been formed up this thesis.

2.3 Getting to know Finland

As mentioned above, Finnish and Chinese cooperation is continuously growing at present and will continue in the future, especially in business transactions. Therefore, there is a necessity for both of them to get to know each other more widely and deeply.

A Finnish national flag is a blue cross against the white background. The blue stands for lakes and the white stands for the snow. The flag is waved on several memorable days, for instance, on 1 May - worker's day, 11 May - Mother's Day, 4 June - Army Day, 21 June - Juhannus, 24 October - United Nations Day, 9 November - Father's Day and 6 December - Independence Day (Interklasa 2012).



Figure 2. Finland's national flag.

Facts and Figures

Finland, officially the Republic of Finland (Suomen Tasavalta in Finnish), is a republic and a member of the European Union. With an area of 338,000 km² Finland is the seventh largest country of Europe. However, its population is relatively small, only about 5.3 million. The nation consists of no less than five ethnic groups: Finns (93%), Swedes (6%), Sami (0.11%), Roma (0.12%) and Tatars (0.02%). The religion of the country is Christianity, Evangelical Lutheran (89%) and Russian Orthodox 1%. Helsinki is Finland's capital city and other larger cities are Espoo, Tampere, Turku and Vantaa. Finland's monetary unit is the Euro. Formerly, it was the markka (FactMonster 2011).

Below is Finland's national coat of arms. The "lion arm" became the coat of arms of Finland in 1917 when the nation gained independence, however it was not legislatively approved until 1978. The Finnish coat of arms are often used on the state flags, official seals, coins, banknotes and postage stamps (This is Finland 2012).



Figure 3. Finland's national coat of arms.

Geography



Figure 4. The location of Finland.

As the figure indicates, Finland is a Nordic country located in the northernmost part of the European continent. Its bordering states are Sweden, Russia and Norway. Finland is situated between Sweden and Russia. Finland is famous for its unspoilt natural beauty. It has innumerable lakes, rivers, islands, with 10% covered by water and 69% of the land area covered by forest (Finnfacts 2011, online). In addition, approximately one third of it lies in the Arctic Circle and this part is called Nordic Finland or Lapland. The biggest town of Lapland is Rovaniemi which is the hometown of Santa Claus (Facts about Lapland 2011).

Climate

The climate of the country is semi-continental and maritime because of its geographical position. Finland has four distinct seasons. Usually the winter is long and, severely cold and the summer is short and fairly warm. In the northern part of Finland, winter can be 6-7 months long. In contrast, summer is only about 2-3 months (Finnish Meteorological Institute 2011).

Finland's weather tends to change quickly, especially in the winter months. The latitude is the principal influence on the climate (60th and 70th northern parallels). The mildest weather in winter is found in south-western Finland. In the very north of Finland, the place that above Arctic Circle (above Romaniemi), total darkness can be experienced, and other places nearby only get very little daylight. In other aspect, due to the harsh climate, Finns have a tendency to suffering depression. Finland is said to have one of the highest rates of suicide. In contrast, the Finnish summer is extremely pleasant, therefore, Finns long for the short mild summer from the very beginning of winter. In the winter there is a long period of darkness, but in summer it goes to the other extreme, with the sun only setting in the middle of the night.

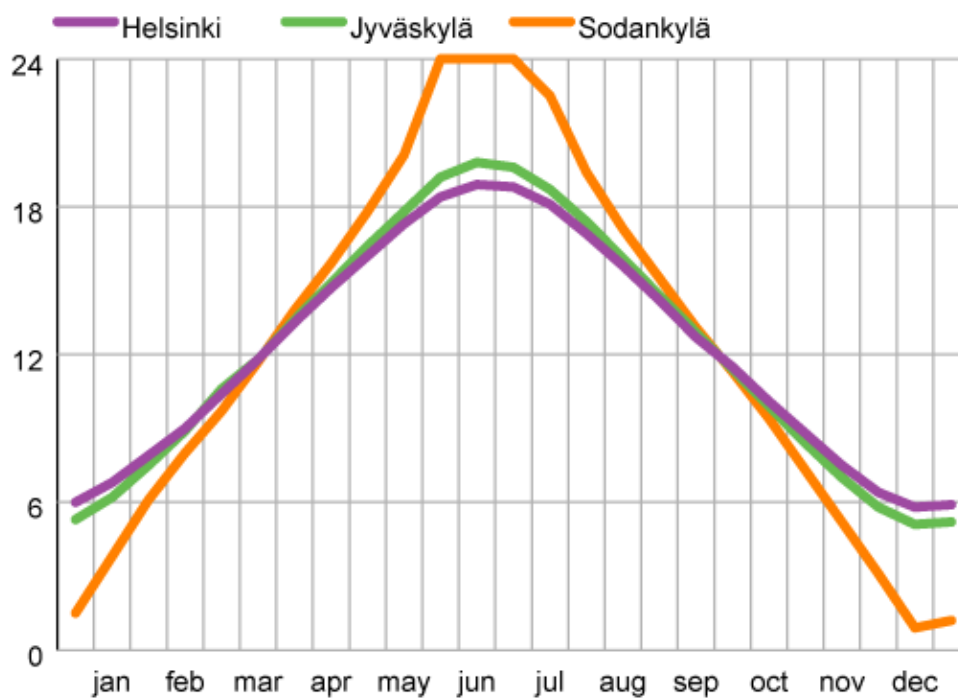


Figure 5. Maximum sunshine duration throughout the year in southern (Helsinki), central (Jyväskylä) and northern (Sodankylä) Finland. In Lapland the sun does not set at all during midsummer (Finnish Meteorological Institute 2012).

History

Finland has been inhabited since the Stone Age and the Finns arrived in their present territory thousands of years ago; however, the origins of the Finnish people are still unknown. Finland's early history was marked by Swedish settlement and influence and later by the Russian. It was part of Sweden for over 600 years, from the 12th century to the 19th and part of Russia from 1809 to the early years of the 20th century. It won its complete independence in 1917 following the Russian revolution. Finnish Independency Day is December 6. It is noteworthy that, owing to Sweden's great impact on the history of Finland, the Swedish language and culture were spread in Finland and still have a great influence in various ways (Haigh 2003, 13-17).

Other recent historical events include, in 1919 the present constitution being adopted and Finland becoming a republic. In 1995 Finland became a member of the European Union and it adopted the Euro as its currency in January 2002 (Finnfacts 2011).

Language

Finland has two official languages, Finnish (92.1 % speakers) and Swedish (5.6 % speakers). The Sámi language is spoken by approximately 1,700 people (This is Finland, 2011).

Finnish, the main official language belongs to the Finno-Ugric group of languages, which is a part of the Uralian family of languages, quite closely related to Estonian and remotely to Hungarian (Encyclopidea.com 2011, online). Though Finnish started to appear in writing during the 16th century however, it did not become an official language until 1892 (Simon Ager, 2012) for the reason that Finland had been part of Sweden from the Middle Ages to 1809 and the official language was Swedish.

Education

Finland has a high standard of education. With a 100% literacy level, Finns are probably the most literate people in the world; everybody can read (Dahlgren and Nurmelin 1998, 40).

In Finland, children usually go to pre-school at the age of six and comprehensive school at the age of 7, then they study at the upper secondary school or in vocational schools. After that they may continue their studies in polytechnics and higher education institutions. During their studies they have opportunities to go abroad to study and get some relevant support at the same time, for instance grants or other financial aid. Besides that, the teaching method in Finland is advanced, for example, programmes and materials are available online, information service or private foundations are available for supporting various researches. All of these systems, policies and supporting environment have contributed greatly to forming a concrete knowledge base in Finland (Infopankki 2011).

Finnish Culture

Design & Traditions: Iittala is one typical representative of the Finnish design: classic, combinable, long lasting, environmentally concerned and interesting. Other designs, for example wood handicrafts, recycle bags, home decorations, are often designed and made for continuous use and the materials that used are usually recyclable.

Finnish people have made a large contribution to the European cultural mosaic. It is said that thespian activities are a favourite among the common Finland traditions. The ancient Finland tradition of Kalevala, which is a great Finnish epic written in the 19th century, are still recreated today. People play the Kantele by plucking it. "It has a triangular sound box with strings running across." The sound is like a bell and the larger ones are very hard to play. Helsinki's neo-classical centre is a living monument to design.

Finnish Sauna: It is believed that the Finnish sauna provides a primary view of Finnish national culture. Traditional saunas are heated by wood; burned in stove with or without a chimney. To the Finns, the latter type of sauna, the smoke sauna, is the best, though the sauna heated by electricity has become more common. All the saunas are equipped with a basket for rocks which will be heated by the stove. When the rocks are hot enough, people go inside and pour water on the surface of the rocks to increase the humidity. Most Finns usually have two homes, one the place where they live most of the time, the other a summer cottage. Almost every summer cottage has a sauna and it is normally built near a lake. In the summer, Finns enjoy being in the sauna and jumping into the lake after coming out of it. In the winter time, some of them even roll in the snow and believe that it is good for their

health. It is estimated that there are more than two million saunas in Finland and it is normal for a Finnish business-person to invite his or her business partner to experience the Finnish sauna as a sign of friendliness (This is Finland 2012).

Food and Drink: Finnish people care about everything that is “natural”, particularly when it comes to food and drink. The most typical Finnish food is Karelian Pie and Finnish bread. Karelian Pie (Karjalan piirakka) is made with rye crust, filled with rice pudding or mashed potatoes, and baked. When talking about Finnish bread (Kainuun leipä) there is a saying in Finnish: "Anna meille Jumala, meidän jokapäiväinen leipämme." which means "Give us this day our daily bread." in English. We can see how important bread is to the Finns (like to other Christian countries). It is little wonder they say Finland is a bread country. Bread for example petäjäinen, ruisleipä and vehnänen has quite a long history (Uralica 2011). It is said that when a Finn has to live abroad there are two things he or she misses most: rye bread and salted herring (Dahlgren and Nurmelin 1998, 84).

Finns are known as “drinkers”. Apart from alcohol, they also have some special drinks which might taste strangely to foreigners. Proudly, they have nice drinks that are made from the berries which come from their own forests.

Except for the traditional food that they have, they are also loyal coffee drinkers and “Makkara” (sausage) eaters, and partial for candy and chocolate. In general, Finns prefer to eat baked, sweet food rather than salty food.

Sports: Finland is one of the leading countries in Europe for physical activities. There are about 7,800 sports clubs and one club for every 650 people. Sporting life in Finland is mainly based on volunteer activities. Annually, 350,000 children and young people and 500,000 adults use the services of sports clubs and federations which are provided by local authorities and financed by the ministry (Ministry of Education and Culture, 2010).

Popular sports and activities are ice-hockey, downhill skiing, hiking, cycling, boating, fishing, hunting and horse riding. Other interesting sports international sauna championships (the winner is the person who endures the hottest temperatures for the longest time), throwing old Nokia phones, carry wives on their back etc.

In 2012 between 4-20 May, the 76th IIHF (International Ice Hockey Federation) World Championship took place in Finland and Sweden. It was the first time that the IIHF World Championship was co-hosted by two national associations. The official tournament mascot of the 2012 Ice Hockey World Championship was Hockey Bird. It was designed by Toni Kysenius and Rovio Entertainment, which is the company behind the hit game Angry Birds. Before the game started, a tour that had passed 17 cities in Finland was organized to promote the sport and the tournament in Finland. After the medal game, the IIHF organizers summed up that (the game was) “Good in 2012 and better in 2013”. (IIHF, 2012)



Figure 6. A combination of Finnish design and ice hockey: Angry Birds in 5 ice hockey 2012 world championship post cards (Posti 2012).

The figure indicates that Finland is not only known for Nokia but also famous for its unique design, for example, the hit game Angry Birds.

Economy

After World War II, Finland's economy has developed enormously and today Finland has become a highly industrialised, free-market economy and one of the richest countries in the

world. The largest sector of the Finnish economy is services and the second is manufacturing, which is a key sector in foreign trade. Though Finland experienced a downturn because of the influence of the global financial and economic crisis, its economy has remained positive as for the inflation has remained relatively low and interest rates steady (Embassy of Finland, Ottawa 2012).

Finland's main exports are forest industry products, chemical industry products, electro-technical industry products, metal industry products, machinery and equipment. Finland's principle imports are chemical, electric and electronics industry products, machinery and equipment (Imports and exports by products by activity, CPA 2008, 2010). Because Finland focuses attention on its internal trade (trade with EU members), both of its major export and import partners are from Europe. Finland's main trading partners are Russia, Germany, Sweden, China, the Netherlands, the United States and the United Kingdom (Statistics Finland 2012).

Here is some information about Finnish finances. There is no doubt that most of the government income accrues from taxes (the top marginal tax rate on wages is over 55%), then the government finance is set out in the budget and paid to individuals (for example, health services, hospital costs, allowances, tuition), local authorities and so on. Government finances are handled by the Ministry of Finance and the government can borrow money when it needs but is monitored by various institutes (Suomi.fi 2012).

Another thing to be mentioned is Finland's welfare. Finland has high revenues from trade and taxes and has been listed as one of the top welfare countries in the world. Women's salaries are still 25% lower than men's, and that is a big reason for extra welfare services being necessary. In Finland, about one third of spending goes on social benefits, about 29% on old people and about 21% is spent on sickness benefits and the health services. (Dahlgren and Nurmelin 1998, 30-31)

Government

The head of Finland is the President of the Republic. Ms Tarja Halonen was the nation's 11th president and also the nation's first female president. Mr Sauli Niinistö is the 12th president of the Republic of Finland and the inauguration was on 1 March (The President of

the Republic of Finland, 2012). According to the Finnish Constitution a presidential election takes place every 6 years and the same person may be elected for not more than two consecutive terms of office (Ministry of Justice 2012).

The leader of the government is the Prime Minister, Jyrki Katainen, who was appointed by the President of the Republic on 22 June 2011. The government has 19 ministers at the moment and consists of 12 ministries. Each ministry is responsible for the proper functioning of administration. For example, the Ministry of Finance is responsible for drafting policy on the financial markets and so on (Finnish Government, 2012). Since joining the EU Finland has strengthened its international position and political influence word-wide.

The Finnish government calls itself “highly business-friendly” for the reason that Finnish and foreign-owned companies are equally for government and EU-sponsored incentives in Finland (Embassy of Finland, Ottawa 2012)

Finns as Prospective Business Partner

It is a Finnish characteristic to stay mysterious to the outsider. What are the Finnish people like? It is often said that when you are willing to do business with other partners, you had better get to know them first. Finnish people are quite often stereotyped as reserved, alcoholic and even cold and emotionless. The truth is, Finns tend to be modest and shy but quite warm-hearted, though they are suspicious of excessive talkativeness. In this section I am going to describe the Finnish characteristics, values and concepts objectively to show the right view of the Finns.

Generally, Finland is a mono-cultural society in which people have similar behaviours and share common values and concepts. Finns see themselves as “susi” which literally refers to dogged persistence and inner strength. In practice it can be understood as once they set up a task or a goal, they are determined to complete it, no matter how hard it is. But on the opposite side it can be treated as inflexibility and stubbornness. Finnish people are self-reliant. They have a strong sense of personal independence as they prefer and are capable of doing all kinds of work, for example cleaning the house, fixing cars, building houses (Haigh 2003, 115). Another merit of Finnish people is that they are quite honest and sincere.

Usually they say what they mean. A good example is that they do not like to be in debt but prefer to pay punctually. Besides that, Finns are usually well educated and have a high respect for education. They are interested in various types of training, research and development.

On contrast to Finns' great courage (as they see themselves as *susi*), they have a high level of self-consciousness which probably originates from their historical and geographical circumstances. It is said that it is a characteristic that Finns share with the Japanese, the Chinese and the French (Lewis 2008, 331). Stemming from their self-consciousness, Finns have both inferiority and superiority complexes. On the one hand they think Finns are the best and are proud of their state's achievements. On the other hand, they believe that other nations are more sophisticated and civilized than them and are therefore quite sensitive about criticism and care about what people think about them (Rupert, 2003, pp.119-220). Such contradictions exist in other aspects as well. For instance, Finns are warm-hearted but have a strong desire for solitude, want to communicate but wallow in introversion, are tolerant but secretly despise overly emotional people, are independent but hesitant to speak up in international arena, and so on. (Lewis 2008, 331)

Finnish Business Culture

According to Richard Gesteland Finnish business culture follows a Deal-Focused - Moderately Formal – Monochronic - Reserved pattern (2003, 308-311).

Deal-Focused means highly task-oriented rather than people-oriented. However, it does not mean relationships are not important in a deal-focused business culture. As claims in *Cross-cultural Business Behaviour*, "Of course, relationships are important in business everywhere. It's a question of degree". In this case, Finnish business culture just puts more attention on the deal rather than people. When dealing with Deal-focused people one advantage is that you can learn most of what you need to know in a comparatively shorter time, say in a few days instead of a few weeks or months, for the reason that they prefer to get down to business right from the start and get to know each other later. Finns tend to be quite straightforward. When dealing with Finns, skipping the small talk and getting straight to the point is highly recommended.

‘Formal’ generally refers to the formality in hierarchical societies. “Formality has to do with relative status, organisational hierarchies, and how to show respect to persons of high status.” The larger the difference in status and power the more formal the culture is (Gesteland, 2003, 46-47). Finnish business culture is moderately formal. Though Finland is relatively egalitarian, Finns are not as enthusiastic as the French or as firm as Germans: they are moderate. They respect their leaders and are individually independent, practical and self-reliant. In business, the managers are usually both decisive and good team workers. There are not so many rules, systems or hierarchical paths installed in the business environment. Instead the business climate is relatively free. Finns possess a quality known as “sisu” and they value conscientious work. Usually Finns start work early and leave work early based on accomplishing a day’s work efficiently (Lewis 2008, 332)

‘Monochronic’ refers rigid-time cultures which are clock-obsessed and schedule-worshipping. Monochronic cultures value strict punctuality, fixed schedules and business meetings are not expected to be interrupted. In contrast, polychronic cultures value loose scheduling and business meetings where a fixed outline is not going to be followed. It is interesting that, when monochronic confronts polychronic the rule “when in Rome do as the Romans do” does not apply any more. In this case, one iron rule in international business has to be introduced: the seller adapts to the buyer. In other words the seller has to show respect to the buyer. Being punctual is a way of showing respect, so if you are a monochronic in a polychronic context you had better be patient. Punctuality is curcial in Finland and Finns tend to be very punctual for any occasions as well as for business meetings. Arriving at the meeting a few minutes early is advisable.

Practical Tips

About the business language, note that though Finland’s official languages are Finnish and Swedish, most of the Finns have managed to speak other languages like English as well, but still it is important to speak slowly and clearly to ensure understanding.

Briefly, business people have to take the following issues into account when they want to have some trade contact with the Finns:

If it is necessary to visit someone, it is important to make agreements on a date and time first and confirm them in writing. Finns tend to be reserved and formal in the first meeting, but they lose some of this reserve after you get to know each other. It is crucial to be punctual, and interrupting is considered rude. Also it is polite to maintain firm eye contact during a conversation. If you are invited to a smorgasbord, it is better to follow your host or hostess. Liquor and flowers are good business gifts and when you negotiate with Finns it is good to be polite and direct with no bargaining. Besides these points, it is essential to know the Finnish business hours ahead and remember that there is no business in their major holidays and festivals which have to be checked in advance (Gesteland 2003, 308-311).

Finnish Official Public Holidays

Finland's official public holidays are divided into Christian and non-Christian holidays. In addition, all Sundays are public holidays.

Table 1. A list of Finnish public holidays (discovering Finland 2012).

January 1	New Year's Day
January 6	The Feast of Epiphany
Moveable Friday	Good Friday
Moveable Sunday	Easter Sunday
Moveable Monday	Easter Monday
May 1	May Day
Moveable Sunday	Pentecost (Whit Sunday)
Friday and Saturday between June 20 and June 26	Midsummer Day
Saturday between October 31 and November 6	All Saints' Day
December 6	Independence Day
December 24	Christmas Eve
December 25	Christmas Day
December 26	St. Stephen's Day

2.4 Getting to Know China

The national flag of China was officially adopted on 1 October 1949. The flag has red bases with five golden stars. The bright red bases symbolise the communist revolution. The large star on the left represents the communist party of China and the four smaller ones represent the social class of Chinese people (China Highlights 2012).

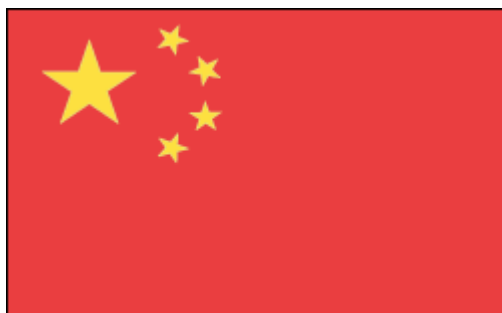


Figure 7. China's national flag.

Facts and Figures

China, formally known as the People's Republic of China (PRC) (Zhonghua Renmin Gongheguo in Chinese), is a communist state. With a total area of 9.6 million km² China is the world's third largest country, after Russia and Canada. The capital city is Peking (Beijing) and other large cities are Shanghai, Chungking, Shenzhen, Guangzhou, etc. China's political geography is made up of 23 provinces, 5 autonomous regions, 4 municipalities, 2 Special Administrative Regions (Hong Kong and Macao) and 1 Claimed Province. With more than 1.3 billion (est. 2011) China is the world's most populous country, one fifth of the world's total, so one in every five people on the planet is Chinese. (Fact Monster 2012) Though China is vast, with a huge population, the population density is high as well. The monetary unit is the Yuan or Renminbi (RMB or CNY). The nation's literacy rate is 92.2% (2008).

China National Emblem

The China National Emblem symbolise "the New Democratic Revolution began with the May Fourth movement and foundation of people's Republic of China." The badge is composed of five golden stars, image of Tian'anmen Square, one gear and framed by wheat.

The wheat represents the peasants, the gear represents the workers and the Tian'men Square represents the great Revolutionary Traditions and magnificent National Sprits of Chinese people (China Highlights 2012).



Figure 8. China's national emblem.

Geography and Climate



Figure 9. The location of China.

China is the largest Asian country and is located in Eastern Asia, on the western shore of the Pacific Ocean, with a coastline of 9,010 miles. It borders 14 countries: Korea, Mongolia, Russia, Kazakhstan, Kyrgyzstan, Tadjikistan, Afghanistan, Pakistan, India, Nepal, Bhutan, Myanmar, Laos and Vietnam. China is generally divided into three geographic regions: mountains, high plateaus in the west, deserts and basins in the northeast, plains, deltas and

hills in the east. About two thirds of China's total land area is made up of mountainous areas which consist of mountains, hills and plateaus (China Information Center, 2012). Especially the Tibet Autonomous Region has been called the "Roof of the World" because of its high altitude, unique geographical features and rich wildlife, water and mineral resources.

With plenty of rivers and lakes, China is also rich in water resources. The important rivers are the Yangtze (Changjiang) River, the Yellow River, and the Heilongjiang River. The Yangtze, the longest river in China with a total length of 6,300 miles, is also the third longest in the world, after the Amazon River in South America and the Nile in Africa.

China has an extremely diverse climate because of its area and topographical features. Generally, it is tropical in the south, subarctic in the north, cold and arid in the west and temperate in the east.

History

China, one of the world's four countries of great ancient civilizations, has a history of more than 5,000 years. As Chinese history is long and complex I will only introduce some important events by timeline.

The oldest dynasty mentioned in Chinese history is the Xia dynasty (2070 BC – 1600 BC) which was followed by the Shang dynasty (1600 BC – 1046 BC) and the Zhou dynasty (1030 BC – 221 BC). During the Shang dynasty, the precursor of modern China's ideographic writing system was developed. In 221 BC, Qin Shihuang conquered the rest of China and became the first Emperor of China. The Tang dynasty (618-907) is considered to be the golden dynasty when China became a great power and its influence spread from Vietnam to Mongolia, from Iran to Korea. Qing (1644-1911) was the last feudal dynasty: after that, China began its modern history (Krott 2003).

A list of the modern historic events:

- 1921 China's Communist Party established
- 1931 Japan invades Manchuria
- 1937-1945 the Defence War against the Japanese
- 1 October 1949 the Republic of China established, China's present history starts

- 1991 became a member of APEC (Asia-Pacific Economic Cooperation)
- 1997 Hong Kong returns to its motherland
- 1999 Macao returns to China
- 2001 became a member of the WTO
- 2003 became the third nation in the world to independently launch a successful manned space mission

Ethnicity, Languages and Religions

Referring to ethnicity, 91.6% are Han Chinese and 9.4% is made up of 55 ethnic minorities, like Zhuang, Manchu, Hui, Miao, Uygur, Yi, Tujia, Mongolian, and Tibetan (China Information Center 2012).

The official language is Standard Chinese or Mandarin (Putonghua). Other widely spoken languages are Yue (Cantonese), Wu (Shanghaiese), Minbei (Fuzhou) and so on (China Information Center, 2012). Most of the ethnic minorities have their own languages and writings, too. Besides that, different geographic areas can have quite a lot of dialects which even vary from village to village. Languages have made China's culture more interesting and diverse. However, they have also created communication problems even between Chinese.

Religious atmosphere is not strong in China and there are not many religious worshippers in compared to its total population, only over 100 million (est. 2005). In other words, most of the Chinese are atheists. The major religions in China are Daoism and Buddhism, and minority religions are Christianity and Islam (Fact Monster, 2012). It is important to mention that, although many people have confused Confucianism with religion, the fact is that Confucianism is a school of philosophy rather than religion.

Chinese Culture

Literature: The history of Chinese literature is rather colourful and the ancient literature in particular. It is said that the ancient literature is comprised of eight periods and can boast glorious achievements. The well known four ancient Chinese literatures are Romance of

Three Kingdoms (三国演义), A Dream of Red Mansions (红楼梦), Journey to the West (西游记) and Outlaws of the Marsh (水浒传) (Cultural China 2012).

Beijing Opera: Beijing Opera, a principal tradition in Chinese culture, as its name indicates was formed in Beijing. It was originally developed from Anhui Opera and with time moved on, Anhui Opera has absorbed the acting styles of other types of opera and has improved itself a lot. As a result of merging, at the end of the 19th century and the beginning of the 20th century Beijing Opera was finally formed (Cultural China 2012).

Beijing Opera is a comprehensive acting art which includes singing, reading, acting, fighting and dancing. Famous works are Sister Thirteen, The Muke Mountain Redoubt and so on. Famous Beijing Opera performers are Mei Can, Mei Baojiu and Li Muliang (Cultural China 2012).



Figure 10. An actress in Peking Opera (Cultural China 2012).

Chinese New Year: Chinese festivals are the key elements in the composition of Chinese traditions. The main traditional Chinese festivals are: the Spring Festival, Lantern Festival, Lichun, Qingming Festival, Dragon Boat Festival, Double Seventh Festival, Mid-Autumn Festival, Double-Ninth Day, Winter Solstice and Little New Year. Among these festivals, Chinese New Year is the most important, like Christmas in most Western countries. Unlike

Christmas, which is celebrated quietly and peacefully within a family like in Finland, the Chinese Spring Festival is an opportunity to live it up. For example, Chinese people set off the firecrackers at midnight on the first day of the first lunar month to greet the coming year and send off the old one.

China uses both a solar calendar and a lunar calendar. The solar calendar is based on the solar cycle, one cycle is one year. The lunar calendar is the traditional Chinese calendar based on the lunar cycles: one cycle is one month, a big month is 31 days and a small month is 30 days. All of the traditional Chinese festivals are calculated by the moon. The Spring Festival is celebrated in the first lunar month. It begins on the first day of the first lunar month and ends with people celebrating the Lantern festival, which is on the fifteenth day of the first lunar month.

New Year's Eve is called "Chuxi" in China. On New Year's Eve, every Chinese person will manage to come back home to have the "Chuxi" dinner, which is a family reunion, no matter how far they have to travel. Before the actual celebration of the Spring Festival, there are a lot of preparations, including preparing for the traditional food and paste the Spring Festival couplets on the door. The traditional foods are different from place to place and the way of celebrating the festival is also slightly varied from region to region. On the first day of the New Year people pay a New Year call to say "Happy New Year". The children will receive gifts of money ("Hongbao" in Chinese) which are wrapped in red envelopes from the elders. To some extent, Spring Festival is the children's most joyful festival (Cultural China 2012).



Figure 11. Spring Festival: Children's joyful festival (Cultural China, 2012).

Economy

China's economy has changed rapidly in recent decades and has boomed since 1978 as a result of economic reforms. Simply speaking, China has changed its economic system from a closed, centrally-planned economy to a more market-oriented one, internationally-connected. In 2008, China became the world's second largest economy, after the USA, and in 2010 it became the world's largest exporter (Index Mundi 2012).

Today, China's economy continues to expand at a rapid pace (10.3% in 2010), and the country's gross domestic product hit 10.09 trillion in dollars (est. 2010). In the GDP composition, agriculture accounts for 10.2%, industry 46.9% and services 43% (est. 2010). The main agricultural products are rice, wheat, potato, corn and peanuts; main industrial products are mining, ore processing, iron, steel, aluminium and so on. China's exports consist of machinery and equipment, plastics, optical and medical equipment, iron and steel; the imports consist of machinery and equipment, oil and mineral fuels, plastics, optical and medical equipment, organic chemicals, iron and steel. Its major trading partners are the US, Japan, South Korea, Germany and Australia (Fact Monster 2012)

Notably, China's huge economy on the hand has improved the residents of China's standard level of living as well as enhanced their international position and influence; on the other hand, China is continuously facing problems and challenges both nationally and internationally for example the contradiction between the growth of the economy and the deterioration of the environment, the lack of employable people in the future as a result of the one child policy, etc.

Government

China is communist state and the Communist Party is the sole party in power in China. Though other small political parties exist they are controlled by the CPC (the Communist Party of China). The National People's Congress (NPC), representing the people and all levels of the people's congress in China, has the top legislative power, including electing the President of China. China's current president is Hu Jintao who is the head of state (China Information Center, 2012). The vice president is Xi Jinping, who is likely to be the next leader, expected to lead China in 2013 (BBC 2012).

The Chinese as Prospective Business Partners

There is a saying in China: The unique features of a local environment always give special characteristics to its inhabitants (一方水土养育一方人). As mentioned before, China is huge, and its climate and topography vary from place to place, and so do the inhabitants. For example, people who are born in the north are usually, at least physically, stronger than the people born in the south. However, through thousands of years of interaction China has become a place of many, many cultures, a cultural “melting pot”. Therefore, even though China has 56 nationalities, each nationality has kept its own culture. People in this mysterious land share something in common, the values, concepts, etc, especially the development in transportation, media, telecommunication and information technology, including using the Internet, have all promoted the communication between people dramatically.

China is famous for its Confucianism. Confucianism is the most influential philosophy in Chinese society, from daily life to the business world which has developed over thousands of years. It has also been treated as an ethical system which has helped to main the social order and stability. Some of China’s superior values are derived from this philosophy, like modesty, harmony, diligence, the sense of duty, respect for the elderly, respect for hierarchy, friendship etc. Apart from this, the Chinese are also known for their hospitable nature and the people value courtesy and generosity a lot.

Chinese people are afraid of “losing face”. The concept of “mainzi” (face) is settled upon the basis of individual reputation and social status. Causing someone to “lose face” can result in serious consequences for business interactions and even the loss of business. Mastering some techniques to be able to “give face” and help your Chinese partner “save face” when he or she is “losing face” can be a vital asset in doing business successfully.

Unlike in most Western countries, Chinese people are indirect. They tend to speak in a roundabout style rather than getting directly to the point. For example, instead of saying “no” as a refusal they use other words, like “it’s difficult to say”. It has also been shown that the Chinese prefer to maintain a harmonious relationship, at least on the surface, rather than stepping into any conflict. Losing one’s temper is simply considered bad or inappropriate manners and can easily damage a business relationship.

Chinese Business Culture

Chinese business culture follows a Relationship-Focus - Formal – Monochronic - Reserved pattern (Gesteland 2003, 308-311).

Relationship-focus means more people-oriented than task-oriented. Relationship-focused people prefer to do business with family, friends, acquaintances or other people they already know well. In relationship-focused culture, problems are usually solved through the relationships. In China it is particularly so, the more trusted people you know the easier you can get things done. Of course, it also depends who you know, which means finding the right person is extremely important. The Chinese use the term “guanxi” to describe this kind of relationship. Quite literally, a good “guanxi” can shorten your way to the achievement of the goal efficiently. The rule not only applies to the business world but also to daily life, and not only for the Chinese but also for foreigners who want to do business in China.

Chinese Business Culture vs. Finnish Business Culture

Chinese business culture is typically relationship-ship focused, which is greatly different from Finnish business culture which is deal-focused. Gesteland describes the difference between relationship-focus and deal-focus as the “Great Divide” between business cultures all over the world. He also points out that the different behaviour impacts on success in many respects throughout the global marketplace (Gesteland 2003, 16-20).

When looking at the Chinese-Finnish culture pattern comparisons, we can see both the Finnish and the Chinese belong to the Monochronic and reserved group. Chinese business culture is more formal and the great difference between the two business cultures exists in the “great divide”: Finnish business culture is strongly deal-focused and Chinese business culture is strongly relationship-focused. Obviously, compared to other matters, the ‘Great Divide’ is the biggest obstacle when Finnish and Chinese do business together. In other words, a business deal, whether it is going to be a success or not, highly depends on how well the Finnish and Chinese counter-parts handle it. This calls for a counterparties’ great effort and contributions on both sides.

Practical Tips

Take time to build a proper relationship before entering into business. Introduction by acquaintances is preferred, for the Chinese tends to do business with people they already know, like relatives, friends, acquaintances, existing business counter-parts and so on. In a word, the Chinese usually prioritise mutual trust in the long-term rather than making deal in the short time, so try to be patient.

Punctuality is considered extremely important in China and should be born in mind. So their counter-parts will not be kept waiting, people will often show up about 15 minutes early and start the meeting earlier so as to save your time.

To negotiate with the Chinese you need to slow down for the Chinese negotiation pace is usually slow and repetitious. They prefer to have formal meetings, but real decisions are not expected to be made at the same time. Decision making is also long-term oriented, not only because they talk about issues step by step in an unhurried manner, but also because they want to evaluate your trustworthiness. Losing patience could also result in losing deals and opportunities (Lewis 2008, 493).

About the business language, due to the improvement of the education and economy most of the Chinese have had the chance to learn English since primary school. Many of them have got opportunities to learn other languages like Japanese, German, and Russian and go abroad for advanced studies. Now days, language training in the area of private educational service has become big business, and many language schools have been established in China, in almost every city, the biggest and most recognised being Beijing New Oriental School (formally: New Oriental Education & Technology Group Inc.). It is worth noting that, although the general educational level has been improved, there is also a big gap between urban and rural areas. Language proficiency is not expected to be high in most places yet. It is also a great help that the foreign business people can speak some Chinese during the business occasions, which can easily enhance closeness and build relationships.

Chinese official public holidays

There are 7 official public holidays in China, altogether 11 days each year. However, weekday holidays are often combined or exchanged with weekends to form a longer holiday.

Table 2. Chinese official public holidays (China Highlights 2012).

New Year's Day	January 1st One day
Spring Festival / Chinese New Year	1st and 2nd day of the first lunar month
Qingming Festival / Tomb-Sweeping Day	April 5th or 6th
May Day / Labour Day	May 1st
Dragon Boat Festival	The 5th day of the 5th lunar month
Mid-Autumn Festival	The 15th day of the 8th lunar month
National Day	October 1st, 2nd and 3rd

The following are other holidays observed by certain groups.

Table 3. Other legal holidays (China Highlights 2012).

International Women's Day	Mar 8th
National Youth Day	May 4th
Tibet Liberation Day	May 23rd
International Children's Day	Jun 1st
Army Day	Aug 1st

3 VARKAUS PAPER MACHINE DISMANTLING PROJECT

3.1 Project Profile

The Varkaus Paper Machine Dismantling Project (VDP for short in the following text) took place in 2011 between May and October, in Varkaus, Finland. VDP is an industrial machinery dismantling project that Umacon bid in the spring. The two major participants were Umacon Oy and Nine Dragons Industries Co., Ltd (ND paper for short). The third important partner was Stora Enso Oy, Varkaus paper mill. The whole project actually lasted more than five months, including the preparatory and enclosure phase, however most of the dismantling work was done within five months, from the beginning of May to the end of September.

Project Name: PM39	Date: 27.7.2011	Packing Company: Umacon Oy
Consignee: Golden Dragon Equipment Limited Unit 908, 9/F., CC Wu Building ,No. 302-308 Hennessy Road, Wan Chai Hong Kong. Tel: 852-2891 8698 / 2891 3819 Fax: 852- 2891 3919		Shipping Mark: TCG-ND-11PP39-1104-4500023039 Taicang Port, China
		Contract No. TCG-ND-11PP39-1104-4500023039
		Buyer's reference Order No. 450002309

Figure 12. In the Varkaus paper machine dismantling project Golden Dragon Equipment Limited is the buyer and Umacon Oy is the dismantler, packer and consigner (Umacon Oy documents 2011).

During the project I was a worker, observer and researcher. My occupation was project secretary and my actual assigned work was office-related. I did not play any role in the business discussions, meetings or any other decision-making issues even though I participated. I played quite a modest part. This gave me a fair chance to watch, listen and think. What I am going to describe is based on the true project process that I have been involved in, especially what happened in the marking office, the various information that I received or what I am permitted to present, and also the knowledge that I acquired.



Figure 13. The place reserved for containers (Umacon Oy VDP photos 2011).

Umacon Oy



Figure 14. Umacon Oy emphasised industrial equipment and machinery demolitions (Umacon Oy 2012).

Umacon Oy is a Finnish family business specialising in handling demolition and dismantling work in the field of industrial equipment and machinery as well as hauling projects. It was founded in 1988 in Kouvola, Finland and the business is still operated there with a regular number of 25 employees. However, with more than 20 years' machinery dismantling experience it is able to arrange a big enough workforce and other resources to support its work with its co-partners, for example, of project work (Umacon Oy 2012).



Figure 15. Umacon Oy has over twenty years experience in complex industrial demolitions.

In the VDP, Umacon's main task was to dismantle two paper machines (paper machine 2 and paper machine 4) of Stora Enso and pack the dismantled parts into containers within five months for its Chinese customer in the Stora Enso factory in Varkaus. The whole project consisted of three phases: preparation, dismantling operation and project closure. My research emphasis is on the dismantling operation.



Figure 16. One of the paper machines before it was dismantled (YLE/Savo 2012).

The VDP Process

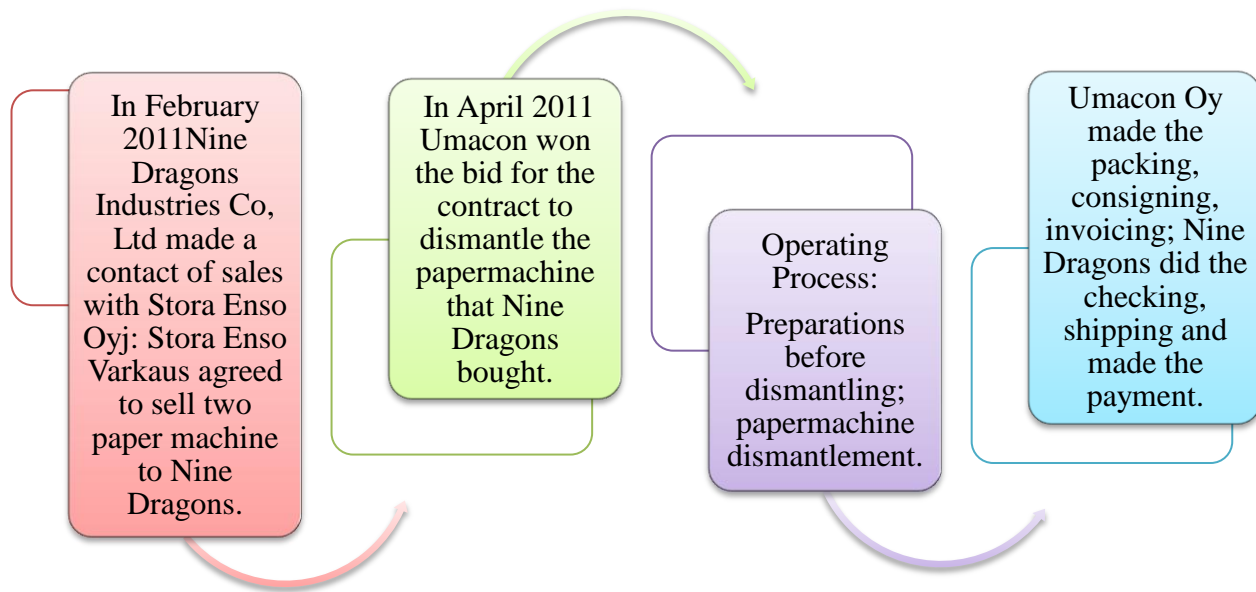


Figure 17. The general VDP process from contracting to shipping (Umacon Oy VDP 2011).

The figure indicates that Stora Enso, as a cooperative party during the VDP project, sold two paper machines to Nine Dragons in February 2011 and Umacon Oy reached a dismantling agreement with ND Paper in April 2011. The figure also shows that the whole process took place in Varkaus Finland. The three main participants, Stora Enso Oyj, Nine Dragons Industries Co., Ltd, and Umacon Oy had worked collaboratively and clearly divided their duties and obligations as well.

The dismantling process, which played a key role in the whole project, consisted of two crucial procedures:

- Firstly, detailed and precise preparation work before dismantling
- Secondly, the dismantlement operation

Each of the critical procedures is made up of several interlinked tasks. Below are two graphics to illustrate the fundamental tasks which were included.

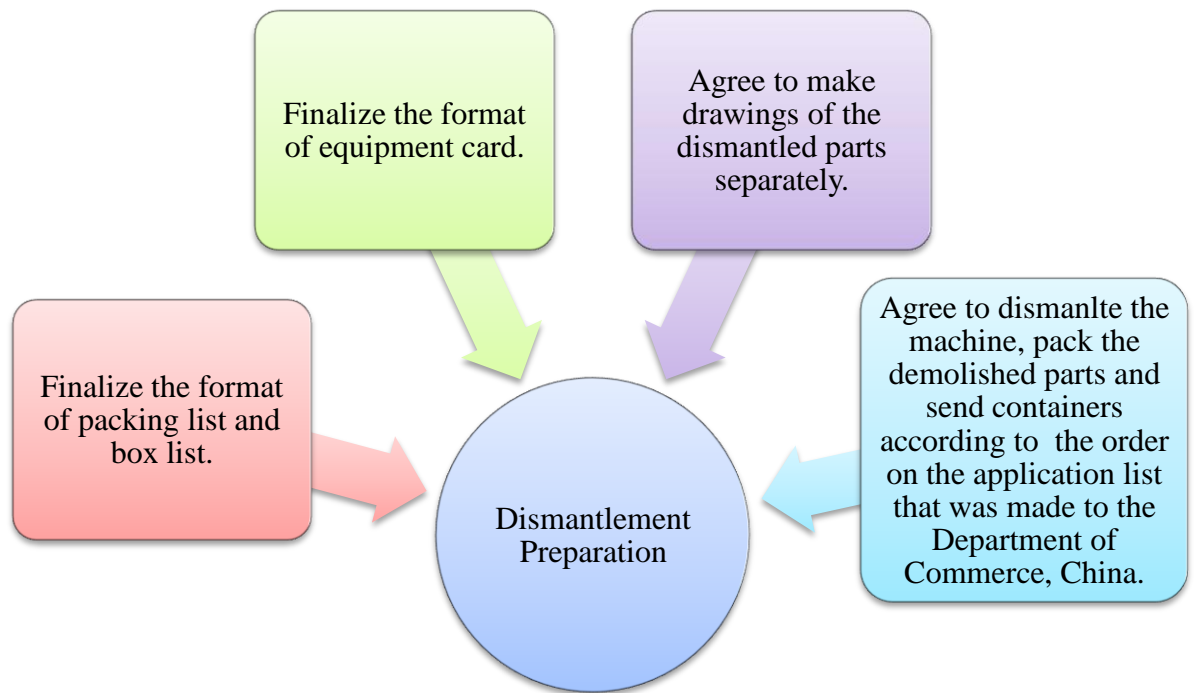


Figure 18. The dismantlement preparations include four important parts (Umacon Oy VDP 2011).

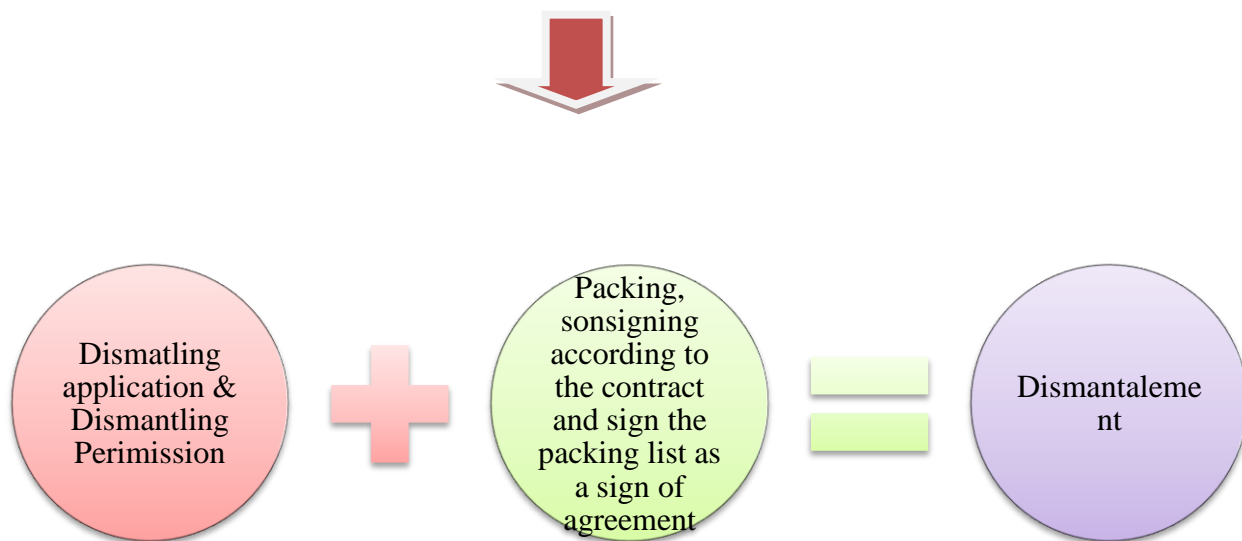


Figure 19. In every piece of dismantlement work, two procedures are strictly followed (Umacon Oy VDP 2011).

Figure 18 shows that several central issues need to be checked to reach a mutual agreement before any actual dismantling operation is carried out. At the very beginning part of the VDP project, the preparation was found to be very challenging and troublesome. In this procedure meetings are frequently held in order to overcome the misunderstandings and have some sort of consensus. To some degree, this is also the most interesting part of the project which displays a picture of cultural collisions between the business parties. In the next section more details will be revealed and complex situations will be explained.

Figure 19 indicates that the actual dismantling part consists of two obligatory procedures:

- Umacon needs to get the dismantling permission before dismantling any part of the paper machine;
- After getting the permission to demolish a certain part of the paper machine, Umacon dismantles the machine into small parts and packs them properly according to special requirements. For example, the parts need to be categorised well, and then they make the consignment and prepare the packing list. A packing list with both Umacon's and ND paper's signatures is a sign of completing one container.

It is said that the dismantling application needs to be handed out to ND paper by Umacon at least two days before any dismantling work is carried out which allows the ND paper to have sufficient time to do the inspections. Once the ND paper believes that it is safe and workable they will sign the application paper and give the permission to do the dismantling work. After careful packing and consigning, a packing list is always expected to be ready for signing. Usually there is one person in ND paper who is mainly in charge of the consignment issue, and will go through the packing list once again to make sure that the components listed on the paper are well matched with the ones that are placed in the container. When the procedure is done, three copies of the packing list are signed: one is placed inside the container, one is for ND paper and one is for Umacon and they are saved for future use (Umacon Oy VDP 2011).

It is noticeable that the packing list is one of the most important papers in the dismantling project. The reason for this is that Umacon needs it for invoicing and future checking in case any problems come up and ND paper needs it for customs clearance, payment making and paper machine assembling. According to the information to hand, by the end of September 2011 over 300 containers had been packed in total, more than 100 for paper machine one

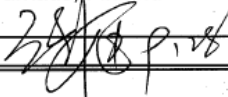
and over 200 for paper machine four. Other important papers are the box list, OTT (open truck transport), equipment cards, etc (Umacon Oy VDP 2011).

Container No.	TRLU 872982 4	Type: 40' DC COC/Hacklin	Seal No.	A4649341			
Package No.	Package Type	Description	Qty	Dimensions (m)	Gross Weight (kg)	Net Weight (kg)	Volume (m³)
RE-VA-KO-2503 (card 14.9) RE-VA-KO-2503 (card 14.8) RE-VA-KO-2503 (card 13.3)	Package	HEAD BOX PLATFORM FRAME -H (1 pcs) HEAD BOX PLATFORM FRAME -H (1 pcs) HEAD BOX PLATFORM DS - H (1 pcs)	1	1,7x1,3x1,2	230	217	2,65
RE-VA-KO-2314 (card 9.1) RE-VA-KO-2503 (card 6) RE-VA-KO-2314 (card 9.3) RE-VA-KO-2314 (card 10.1)	Package	DROPLET SEPARATOR 1 PRESSURE SENSOR -H (1 pcs) REGULATING LIP CONTROL PANEL TS -H (1 pcs) DROPLET SEPARATOR 1 DS -H (1 pcs) DROPLET SEPARATOR 2 PRESSURE SENSOR -H (1 pcs)	1	4,3x1,8x1,8	1100	1050	13,93

Stora Enso Varkaus Mill
P.O.Box 169, FI-78201 Varkaus, Finland

Tel: +358 2046 32740 Fax: +358 2046 32102

Signatures:


Yanchen Zhang
Golden Dragon Equipment Limited

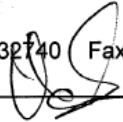

Vesa Salonen
Umacon Oy

Figure 20. Example of a packing list. Due to the length of the document, only part has been chosen (Umacon Oy documents 2011).

Referring to the equipment cards, which belong to the process of dismantlement, two more considerable matters have to be mentioned:

- Dismantling operation in the office;
- Tasks for the dismantling staff.

What happens in the marking office has a significant meaning for the whole project, not only because it is the place where the marking preparation job is done but also because it is the place where most communication occurs. Working staff from both Umacon and ND paper brought up issues to be negotiated, worries that needed to be solved and the consensus that could be reached. They also exchanged their knowledge and opinions towards a certain type of topic.

Members of the dismantling staff at Umcon Oy were well allocated. Their work is different from the people taking care of markings: they merely follow the instructions and dismantle the parts as marked. These instructions include dismantling the machine based on two principal orders: dismantle the ones marked from the heavier to the lighter; dismantle according to the technical functions, from the electrical cabinets to the machinery. Despite that, their working hours are slightly longer.

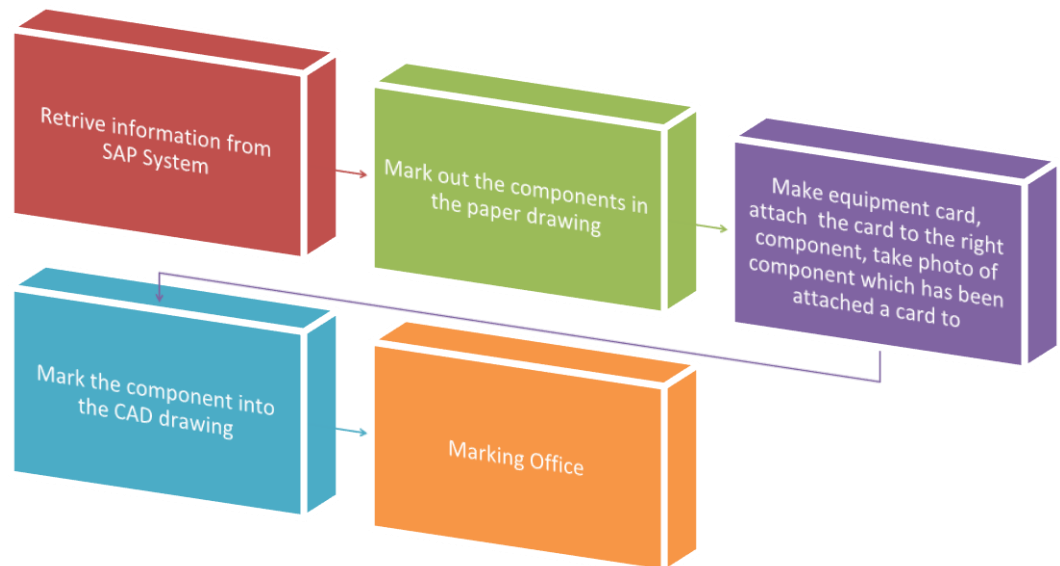


Figure 21. Marking work, including the four basic procedures (Umacon Oy VDP, 2011).

Equipment Group	Umacon Oy
Refiner	
Card/Photo number:	113.3
Equipment name:	Safety Switch
Location number:	VA-PU-4434
Equipment number:	QH 23
Position number:	
Drawing number:	D 18560
Weight(KG):	
Length _{mm} /Diameter _{mm} :	

Figure 22. An example of an equipment card (Umacon Oy documents, 2011).

3.2 Cultural Issues in Varkaus Paper Machine Dismantling Project

In the above section, the whole VDP process is explained systematically at a general level plus the actual operating process is explained in a more detailed manner. In this section, the culture-related problematic issues in the Varkaus dismantling project will be carefully studied and uncovered. Altogether there are three significant aspects which need to be specially paid attention to: the language, working style and tolerance.

Language

In this project English and Chinese were the languages used in Finnish-Chinese communications. In response to the Chinese customer's requirements, Umacon recruited two persons who could speak Chinese. Actually, the Chinese customer only required one, but Umacon found two which showed their sincere desire to cooperate. I was one and another is a Chinese man from Helsinki who works as an interpreter in the project. I was assigned to the office work.

Though the interpreter helped a lot, mostly in the meetings, verbal problems still existed everywhere, for the reason that sometimes the interpreter himself could not understand the issue clearly and was unable to explain to the other party. Sometimes when the interpreter was not around and the customer had a technical question to ask, he would probably face an embarrassing situation as he could not express exactly in English what the problem was. Sometimes they could understand each other well but the problem was that none of them would be able to express it. In that situation, they either asked help from the interpreter or just went directly to the work field. What I have heard often in this project are these two sentences: "I need your help!" and "I'll show you." Then the problem got solved.

Nonverbal language was extremely important when language did not work. ND paper's staff offered handshakes to show respect as well as friendliness. They also used body language such as patting the other's shoulder to manifest their trust as well as a way of displaying their willingness to build up a close relationship. But, unfortunately, not all of the Finns like to be touched under the "excuse" of being intimate. Personal distance, somehow, is valued. However, this behaviour, which indicated a good intention, turned out to be much more easily accepted than expected. After several months' cooperating, Finns were found to be

less uncomfortable with the bodily contact and, moreover, they even imitated some of the actions to show their friendliness and considered it fun. To some extent, such is human nature that the heartfelt respect, friendless and trust are more persuasive.

Different working styles

The Chinese thought the Finns were slow to react. Finns considered that the Chinese took too long time to decide. This was just because they had different ways of dealing with the same matters. Like most of the Finnish companies, Umacon has adopted moderately formal leadership, which means employees have respect for their leaders but they also have relative freedom work to on their own. For example, employees of Umacon are able to take a “work early leave early” action, but ND paper staff can hardly leave before their manager, no matter whether they are in China or in Finland. It is not difficult to find that inside the management there are always certain rules to follow and how successfully you follow them can be a measure of your work performance. The ND paper staff used to work long hours, 11 hours per day from Monday to Thursday, 10 hours on Friday and 5 hours on Saturday. According to the investigations, it is certain that the chances for them to work even longer hours are much more than the chances to shorten their work time.

The significant difference in this matter is that, for Umacon, it is usually the managers who worke much more than the employees. And that is the huge cultural difference between the working styles. Looking into Umacon’s working hours, the people who do the marking work have a contract to work 40 hours per week, and the people working on dismantling and packing have to work 48 hours per week. Nevertheless, what are listed here are the working hours for the majority of employees: exceptions did exist and generally based on individual working contracts. In addition to this, extra hours are always clearly marked and the pay rate is considerably different from the normal working hours. Quite often the Umacon employees prefer to work more hours on other working days in order to get a day off or leave earlier on a Friday. From time to time there is a choice for the employee to take a holiday. In a word, the labour regulation, working style, as well as the formality of the leadership has caused more or less barriers for Umacon and ND paper to being part of the same working process. Gradually, ND paper learned when was the right time to find out which person was in charge and to talk about what issues. It was obvious that, at the beginning of the project, they did not cope well with these differences and we stumbled

from time to time. In certain circumstances, these differences could result in misunderstandings and unhappiness. It is believed that having a good knowledge of each business party's working behaviour in various aspects can make some unnecessary misunderstandings avoidable.

It is also true that ND paper's working style has slightly changed in order to keep the same working pace as Umacon, and more importantly, for a better communication and cooperation. But still they went to work when the Umacon employees were available in the work place, and went back home when the dismantling and packing staff were leaving. Moreover, an obligatory daily summary meeting was held before they could actually leave the factory at the end of the day. On the one hand, this was a sign that they were diligent and attentive in their work. On the other, it was considered as "energy waste" and ineffective. Anyhow, both Umacon and ND paper had learnt from each other and made a great effort to achieve what they were mutually looking for.

Flexible or Stubborn

During the project, ND paper asked to make a lot of changes that Umacon were reluctant to accept simply because, in their opinion, things had been agreed and they needed to be conducted as agreed. In the ND paper's view it was essential to be able to change once problem came up, otherwise the problem would remain unresolved.

Asking for a change sounded rather like breaking with the old the agreement and making a new one, which brought up pressures in the negotiations for both of them. After several rounds of similar collisions, both of them got the idea that they needed to bear something in mind: for ND paper it was that, Finns don't like change; and for Umacon, they asked themselves to have something for backup in case an unexpected change came up. Furthermore, in this project, ND paper was the buyer and Umacon was the seller, therefore it was believed that Umacon had compromised more than ND paper did. In all events, the dismantling project was a cooperative work, and required not only technical support but also mutual understanding and mutual trust. It is recommended that a person sticks to their opinion when they believe they are right, and compromise on disputed issues when necessary. All in all, it is the common ground that both negotiators seek.

4 IMPLEMENTATION OF THE RESEARCH

4.1 Interview Plan and Implementation

Most of the interviews are conducted according to a face-to-face method, but one is done by email. About the face-to-face interview, both recordings and notes were taken. Some of the interviewees had previewed the questions, some of them had not. Some of the emails which show how contact was built with interviewees has been organised and saved.

Because the potential interviewees are Finnish or Chinese working people who are working or have worked under a Chinese-Finnish business environment, the interview question paper has been done in two languages: English and Finnish.

For the convenience of the interviewees in understanding and answering the questions the interviews have been done in different languages: English, Finnish and Chinese. In the following two sections, all the interview results have been translated into English separately for the analysis. The designed interview had a tendency to be logical, informative, easy to read and clear to understand so the interview paper had been modified quite a few times according to the thesis compiler's own thinking, school teachers' instructions, and friends' advice.

4.2 Interviews

Ms Salla Lehtinen - Andritz Oy, Team Leader, Project Assistance Team, 21 June 2010

Background information: Ms Lehtinen used to take care of the correspondence between Andritz Oy engineering departments and the Chinese manufacturing company, as well as official documents delivered to Chinese customers. She also has experience in shipping and invoicing of spare part deliveries to Chinese customers.

Ms Lehtinen had been dealing with Chinese business for 3 years (by 2011). She came to work for Andritz in the year 2005 and her first project with Chinese manufacturing started in the year 2007.

Interview: As an assistant she gets the contact information from the project management and they have already visited the customer/vendor. There are quite strict rules on how to handle official correspondence. The first contact from her side is to introduce herself and her duties and let the counterparts know she is at their service. “Guanxi” is not a familiar term to her.

The correspondence is mainly handled by e-mail. Sometimes it may be necessary to call by phone, but not as an every-day routine. She said the most important thing in any communication was to act politely. If there were some negative things to discuss, she used polite words and terms, but still declared very politely what the problem is. Sometimes she noticed that they had not understood some issue in the same way. Time orientation may be part of this problem. The talk will not always lead to action.

Ms Lehtinen’s tasks are quite formal and pre-regulated, so she thought she did not have to worry about hierarchy, formality or status matters. She hasn’t been in a business meeting with the Chinese. For her, the most visible difference between the Finnish and the Chinese project management is the time orientation. The Finnish are always very dependent on keeping to the schedule. If there seems to be delays, it is a great worry to them. Time difference sometimes may be a problem. Also, sometimes there have been real problems in understanding in the English language. But when Andritz’s representatives are negotiating in China they always have some Chinese speaking personnel in the meetings. Andritz has a branch in Beijing, in Shanghai and in some other cities, and their personnel assist with all the negotiations.

In Ms Lehtinen’s opinion, the best advice is to treat people with respect and tolerance. The more we communicate, the more we shall learn about each other’s cultures.

Mr Mengxiao Zhu - Ruukki Oy, IT Specialist, 19 January 2011

Background information: Mr Zhu, a 28 year old Chinese man, worked as a CRM application specialist in Ruukki in Helsinki. Ruukki is a Finnish company which provides its customers with energy-efficient steel solutions. Mr Zhu’s job was to do system maintenance, CRM platform development, make service resolutions, provide trainings to CRM users and act as a system tasks coordinator.

Till the application time he had worked in that position for 2 and a half years. He used to work in another company called Kone Oy in the same capacity. He said in Kone Oy he got more Chinese customers than customers of other nationalities. However, both Kone and Ruukki got international customers and he found that dealing with Chinese or Finnish was comparatively easier than dealing with other nationalities. He explained that this was because he had been involved in Finnish and Chinese cultures rather than others.

Interview: Mr Zhu's customers are those who use CRM in Ruukki or other companies that Ruukki served. He clarified that his job did not require many communication skills but technical talents, so when dealing with his customers they rather focused on solving the technical problems than thinking about how to communicate with their customers. Basically, he and his co-workers are responsible for providing solutions and training, not for communicating. It is usually the customers who contact them. How they respond to the customers all depends on what tasks they are facing or what problems they need to solve. He described two types of meeting he usually had. One was the "one-to-one" type; the other was "one-to-many". "One-to-one" refers to service requests and "one-to-many" refers to training. That was about the sum of ways in which his customers interact.

Mr Zhu used to have team meeting or so-called monthly meetings with his colleagues. He found that in the meetings it was not difficult to cope with his work mates, though he came from a different culture. He explained that they were all technicians and what they talked about on the agenda were mostly technical issues, including how well the job was done, what would be the new tasks, etc. They also had another regular meeting which was only held every six months. In the meeting what they did was to sum up the past and look into the future.

He also explained that unlike with his Chinese co-workers, he and his colleagues' relationships stayed just as "colleagues": no personal deeper relationships were built. He said that, on the one hand, they lived quite far away from each other, and on the other, neither he nor his colleagues had showed any appetite for further personal interaction.

He argued that different types of job require you to be equipped with different skills. His advice for those who were involved in a Finnish-Chinese business environment was to

follow the rules which they were involved in and try to find something in common to build up mutual respects then they might find communications were not so tough.

Mr Juhan Suhonen - Danfoss Oy, Sales Manager, 20 June 2011

Background information: Mr Suhonen is the sales manager in Danfoss Oy and is responsible for project sales. He worked on several projects in China for 10 years, from 1993 to 2003. He stopped working there because he got a health problem and needed to return to Finland. What he said in the interview provided a good chance of investigating what has changed and what has not changed in Finnish-Chinese business communications.

Interview: Mr Suhonen said that at that time, when he wanted to do business with the Chinese, he found he did not have enough information to hand, so he tried to retrieve useful information from the public media, such as the internet and local newspapers. His company also had local contacts which helped them to build up new business relationships with new business partners. However, finding the right partner and building up a cooperative relationship was a time consuming process. Mr Suhonen said they sometimes could get new Chinese contacts from the previous foreign customers who had already built up relations with the Chinese. He emphasized that it did not work in the way that you just went there and tried to find some business opportunities without making any preparations.

Mr Suhonen and his team used emails or held meetings to communicate with their Chinese co-partners. Phone calls were also made, but not often. He said he and his Finnish colleagues tried to follow the Chinese way of behaving. Interpreters were hired, either by the Finns or the Chinese. However, they did not use interpreters all the time. They turned to the interpreters for help only when they had difficulty in understanding each other.

What Mr Suhonen personally found difficult was that documents did not really count: they signed agreements with their Chinese business partners first, then the next day their customers came and asked for a renegotiation. He pointed out that it would be different in Finland. To most Finns a deal is a deal: once you have signed an agreement you follow it. But for the Chinese it is important to make everything negotiable even after making the agreement. "One day we made the agreement, and the next day someone came and said, 'Okay, let's start from the beginning'."

According to Mr Suhonen, both partners understood that they had different ways of thinking so they found the kind of professionals who knew both the work and the languages well to act as interpreters to help them understand certain issues better. “It takes time to figure out an efficient way of communicating,” Mr Suhonen said. In his opinion, it is also a process of learning.

From his observations, many Chinese companies want to do business with foreign companies, but only a few of them manage to achieve success. He guessed that this might be because they lacked knowledge or they could not cope with the cultural issues. The Chinese companies--not their customers, but the ones who wanted to be their local co-partners--were found to be too hasty: they easily promised everything, but the results showed that they were not competent enough to do the work.

Danfoss keeps in contact with their old customers, in case they need them for future business. Furthermore, it is important for both partners to be devoted to the same project when they have established a partnership. It is also essential to maintain a personal contact, which is also not usual in doing business in Finland. In the interview, Mr Suhonen mentioned wining, dining and the fact that “you must be able to drink something”. It has become clear that dining and socializing are a critical part of doing business in China. Nevertheless, this also depends on which part of China you visit.

“You have a meeting with ten Chinese, and perhaps only one will speak.” In saying this, he meant that it is important to find the right person to talk to. He also mentioned that, once you got familiar with the Chinese negotiation style, it would not be difficult to figure out who was the person in charge and this helped push the whole process forward. However, it is difficult to tell their opinions because they seldom reveal their emotions.

Mr Suhonen said it was not easy to change his Chinese partners’ minds. Sometimes they even lost their temper on some issues, but they would come back for the negotiation when they recognized that they really needed to. Mr Suhonen expressed that, for him, working in China was a challenge and interesting. He appreciated the hard working style and intelligence of the Chinese. He found that the cultural differences were interesting to deal with. He said to work in China the foreigner had better be smart and open-minded.

Mr Vesa Salonen - Umacon Oy, the Owner, 18 October 2011

This interview was conducted by email in Finnish. Due to the interviewee being very busy the interview questions were answered briefly.

Background information: Mr Vesa Salonen, the owner of Umacon Oy, is fundamentally in charge of everything in his small dismantling business. In 2011, from May to October, Mr Salonen and his team carried out demolition work on two paper machines for their Chinese customers, Nine Dragons Industries Co. Ltd. Mr Salonen has led his company for 17 years, but this paper machine demolition project was the first one in which he had cooperated with Chinese business people.

Interview: Mr Salonen said he had created a good partnership with his Chinese customer and he would like to keep the relationship for future business consideration. For communicating, he preferred to talk about job related issues by email. During the project, meetings were frequently held and some difficult situations had been handled quite well.

For Mr Salonen, language was the big obstacle in negotiations. Moreover, the particular challenge for Mr Salonen was that his Chinese customers, in his opinion, were not decisive enough, and as a result, it took time to reach an agreement. He found out that it was not always the people who negotiated with him who made the decisions but the managers in China who were in at a higher level. It happened quite often that, during the meetings, the Chinese partners asked for a break so they could call China and ask for confirmation that they could accept the proposals that Umacon Oy made or not, because they always needed permission before any decisions were made. It seemed that, for Chinese business-persons, deciding on important things without asking permission was altogether unacceptable.

In the end, Mr Salonen pointed out that trust was the solid foundation to achieve the best business results. From his point of view, taking time to build trust and relationships would be a wise action for both Finnish and Chinese business people who strive for successful cooperation.

Mr Zhang Yanchen - Varkaus Dismantling Project, Supervisor, 8 October 2011

Background information: Mr Zhang is the project manager of Nine Dragons Industries Co, Ltd., Taichang Branch. His main duties are planning the whole project, finalising the project scheme, dealing with the application materials, organising his team, installing, testing and implementing the paper machine that he is responsible for.

Before Mr Zhang took over the Varkaus dismantling project in Finland, he used to be responsible for supervising and installing the paper machine that Nine Dragons bought from Metso, America in China. He had experience cooperating with foreigners, including Finns, for 8 years.

Interview: In the Varkaus dismantling project Mr Zhang was frequently involved in meetings, both formal and informal ones. The aim of these meetings was to make sure that the standard dismantling actions were well carried out and the project was moving forward.

All important issues were discussed in a formal meeting. For example, he and his team participated in a weekly meeting every Thursday. In the meeting, all the companies involved in the project were called upon show up, including Umacon Oy and Stora Enso. The contents of the meetings included checking the progress that had been in the previous week, the problems had occurred in the dismantling process, and the work to be accomplished in the next few weeks. For emergency situations, meetings were held in the marking offices which are near the work field. Participants were the ND project supervisor, Mr Zhang, the owner of Umacon, Mr Salonen and the Umacon project manager, Mr Koponen. Daily, more trivial matters were solved in informal meetings which were held in the work field.

Conflicts were unavoidable as both of them insisted on their own standpoints but Mr Zhang said they always manage to find a way to work it out because they both followed what was listed on the contract. Moreover, they had the same goal which gave them a strong reason to make compromises. Mr Zhang says that he only follows when he is fully convinced, otherwise he is a stickler. Sometimes it happened that the project could not be pushed forward, and in that situation they needed to see the big picture of the project, focusing on its long-term viability, and had to try to reach a mutual understanding.

Mr Zhang said in most Chinese companies there is a firm political complexion. Employees do exactly what the boss requires of them. In the western companies, employees enjoy a relatively higher level of freedom. Individual values are well recognised and individual work is highly respected. In China, there is still a high level of hierarchy: the leader enjoys more rights than the employees.

Mr Zhang admitted that he had not done any research about Finland before coming to this Varkaus dismantling project. Some problems might have arisen from the unawareness of the cultural differences.

In Mr Zhang's opinion, the individual's principle is the most important thing in dealing with a project or anything else. He said being a good and principled person was the basis of all success. After finishing the project, the Chinese partner would definitely keep in touch with their sellers or customers. For example, if they travelled to China, they would be warmly welcomed. Mr Zhang said it is not about business, it is about being a person. Treating them would be the obligation of Nine Dragons as they had had pleasant cooperation.

In addition, he said that sincerity was the fundamental element to build up credibility and that accountability was the basis of establishing a trusting relationship. With regard to the nature of their job, technical knowledge was also required to be mastered by both Chinese and Finnish project managers. Finding out what your partners are good at can make the collaborations much easier. Simply speaking, you would know whom to turn to when you get a problem.

In Mr Zhang's view, the most efficient way to communicate with the other party is to explain the related issue as clearly as possible. This will help your partner understand you thoroughly and, in some cases, make your arguments more persuasive.

Mr Zhang believed that getting to know your business partner before starting to cooperate and being sincere while doing business were the two golden principles to be taken into consideration.

4.3 Research Result Analysis

The interviews that were delivered turned out to be fruitful. First of all, it is always pleasant to get people to accept an interview. Secondly, almost every interview contains something different from the angle of business culture. Then the best thing is that these informative interviews have provided me with direct evidence that business culture related confusions have always existed here and there, just some of them have even been ignored or considered unimportant.

But not all of the interviews turned out to be informative. For example, the one that was done by email was answered briefly. Some of the interviews contained much new information as they were based on current positions; some of them contained opinions that were based on experience gained many years ago. Both of these are valuable. At the very least they help one to see how communication has changed and in what ways.

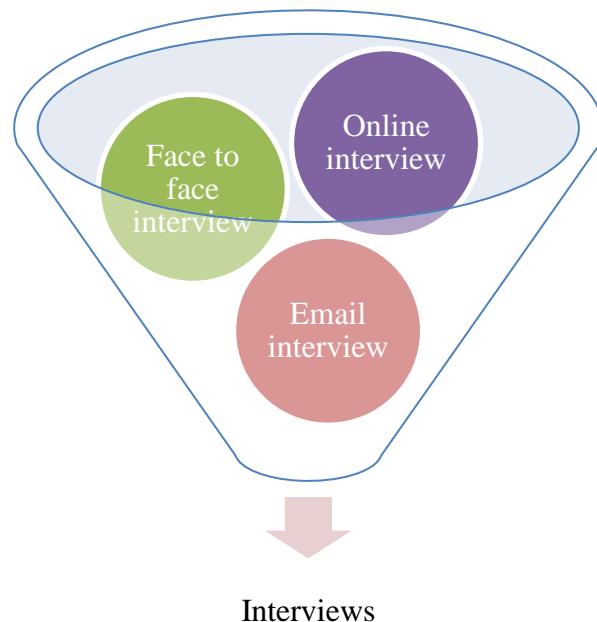


Figure 23. The formats of the interviews.

The results of the project research showed that when Finns and Chinese people communicate with each other, both of them have the willingness to show goodwill and respect. However, they found their partners, for whatever reason, could not understand their simple requests. Communication barriers still exist as they still have the question in mind: why didn't they do that way? Listed below are some of the findings.

Theoretically, the great difference is that Finnish business culture is strongly deal-focused and Chinese business culture is strongly relationship-focused, which is the so-called "Great Divide". This has been the biggest obstacle during the Finnish and Chinese business interactions, for example in meetings and negotiations. Here are two important comparisons:

- In the mass, the Chinese are uncomfortable doing business with people they don't know, especially foreigners, and they want to know the business partners well before talking business. In this aspect, "guanxi" plays a vital role in making a deal. A well built "guanxi" can be a crucial factor to lead the business to success. In contrast, the Finns are open to foreigners and can get down to business right from the start and get to know each other in the business process. So the Chinese may find the Finnish pushy and Finnish people probably consider the Chinese dilatory.
- They have different communication styles. Finns are direct, frank and straight forward because they give priority to clearness. "They usually say what they mean and mean what they say". On the contrary, the Chinese communicating style tends to be indirect, subtle, roundabout, for they give priority to maintaining harmony and promoting smooth interpersonal relations (Gesteland 2003, 20-43). The Chinese are also described as "high context", whereas the Finns are "low context". "High context" means using indirect language to avoid conflict, where context is at least as important as what is said; "low context" is frank, so that most of the information is already contained in the words. The consequence is that the Finns find the Chinese vague and inscrutable, and in return the Chinese find Finnish aggressive and offensively blunt.
- It was found that each party put much emphasis on their own behaviour and on being polite and reasonable according to their own thinking. Though they have worked in the current position for many years or acquired many years of experience, for some

culture-related affairs they still seemed to be lacking of knowledge. I guess one reason could be that they have national superiority. They generally think their way of handling the matter is right, and they cannot find any other reason for not behaving like that. I would also hazard a guess that they have not noticed how important it is to be aware of the differences between business cultures or they simply do not take the cultural issue seriously, at least not enough to pay sufficient attention to this area.

- Language is still a big barrier during Finnish and Chinese business communications. The interpreter plays an important role if they cannot communicate in a common language, for example in English, Chinese or Finnish. The degree of the language influence can vary from profession to profession. For instance, the language requirement is lower in the information technology field than in the business field. Using an interpreter cannot ensure the success of business transactions, especially when the interpreter is not professional in the business itself. Sometimes it could even make a situation more difficult if he or she cannot understand the issue in the right way.
- Behaving internationally could be a neutral way to promote the understanding of each other but it cannot be an absolute solution. For one thing, people understand “international” differently, at least they can doubt whose way is more international, yours or mine? Though some rules have been “internationally” agreed there is not a complete code of conduct for people to follow yet. Moreover, each nation’s culture has been formed over a long time and based on the effects of a large number of internal and external factors. Not only this, but the culture does not stay static, it keeps changing, either quickly or slowly, with the developments in society as a whole.

Take China, for example: the world has seen how rapidly China has changed in recent decades and become more internationally-connected. But what has changed, and what has stayed the same? Where have the changes been focused, in the economy, the country’s power or in its culture? We have to remember that China is one of the giant ancient civilizations and it has more than five thousand years of history, just as its most influential philosophy Confucianism, has been developed in

China over thousands of years. The basis is so solid that it can hardly be changed in a short time. This culture has conducted people's behaviour so deeply, both in the business world and daily life, that some habits can be completely unconscious.

- Only noticing the differences in communication styles is not enough. Both of the Finnish and Chinese business cultures are emotionally reserved which could slow down the process of establishing partnerships or even the ongoing work. Only one of the parties being active does not make things work well either. In some urgent situations, one partner wants to solve the problem as quickly as possible and can hardly take the other party's way of doing things into account. Both the Finnish and the Chinese can be pushy and impatient.
- Neither the Finnish nor the Chinese have been tolerant enough towards each other's different business behaviour. Sometimes both the Chinese and the Finnish business people insist on their way of handling affairs and problems can easily arise. Not accepting each other's values can possibly result in losing trust and a break down in the cooperative relationship.

Here are some simple suggestions and practical proposals based on the research results:

- Try to master the business language. Currently, it is English that is mainly used to communicate between the Finnish and the Chinese. If it is necessary to use an interpreter, make sure he or she is professional in the business field that you are dealing with or that he or she is quick in picking things up and able to perform clearly and realistically.
- When in need, change your thinking habit a little bit and learn the other party's culture as much as possible. Importantly and helpfully, master as many cultural techniques as you can. Communication happens between two counter-parts. Do not wait for the other party to be more active and expect your partner to understand you first.
- Be tolerant, patient and flexible. As both partners have the intention of making a success in business together, this means, they at least they have a willingness to

show goodness, sincerity and respect for each other. That is to say, they have the same goal: make the deal succeed. The only thing is that in quite a lot cases they understand the same thing in a different way. In the business world, it is believed that no one wants to spend extra time in meaningless discussions which have no result. Flexibility needs to be adopted, because apart from the cultural issues, it is the individual person who wins acceptance and business.

5 CONCLUSIONS AND EVALUATION OF THE THESIS PROCESS

Before concluding the thesis, two issues need to be declared:

Firstly, the thesis topic was chosen by the thesis writer herself, including conducting the interviews, collecting the necessary information and compiling the whole report. Therefore, from this point of view, this thesis report was not commissioned by any other party. But during the thesis process I have received a lot of help, mostly from my friends and work mates. For example they recommended whom I could ask to interview and helped me translate the interview paper into Finnish.

Secondly, the thesis report will be placed on Umacon Oy's website as they have kindly given me permission to use their project (Varkaus Paper Machine Dismantling Project) as a research object. Umacon did not make requirements of my thesis. Not only that, they maintained a respectful attitude towards my academic work which allowed me freedom in the content of my thesis. Nevertheless, I have born in mind not to touch any matter that could convey the company's business secrets. Thanks to their great support, I had a wonderful opportunity to complete the thesis based on a real and meaningful case.

It is clear that many points can be summarised in the thesis, but at the same time, the clearer and simpler the better. Based on this principle, I will draw conclusions from two aspects: the theoretical analysis and the empirical study.

First of all, a summary of the theoretical analysis: Finnish and Chinese business cultures do have a lot common, but there are major differences, which makes the practical business of the intercultural issue arise.

The behaviour of both Finnish and Chinese business cultures follows a Formal-Monochronic-Reserved pattern. To put this more clearly, in both business cultures business behaviour is preferred to be formal, people tend to be punctual on all occasions and emotionally reserved.

Besides this, Finnish and Chinese business people share the following values: superiority, inferiority, hardworking and intelligent, tolerant, generally sincere and loyal, etc.

I shall now divide the conclusions of the empirical study into two parts: practical business issues and recommended solutions.

With regard to the practical issues that I have observed in the project, there are several important matters to be mentioned:

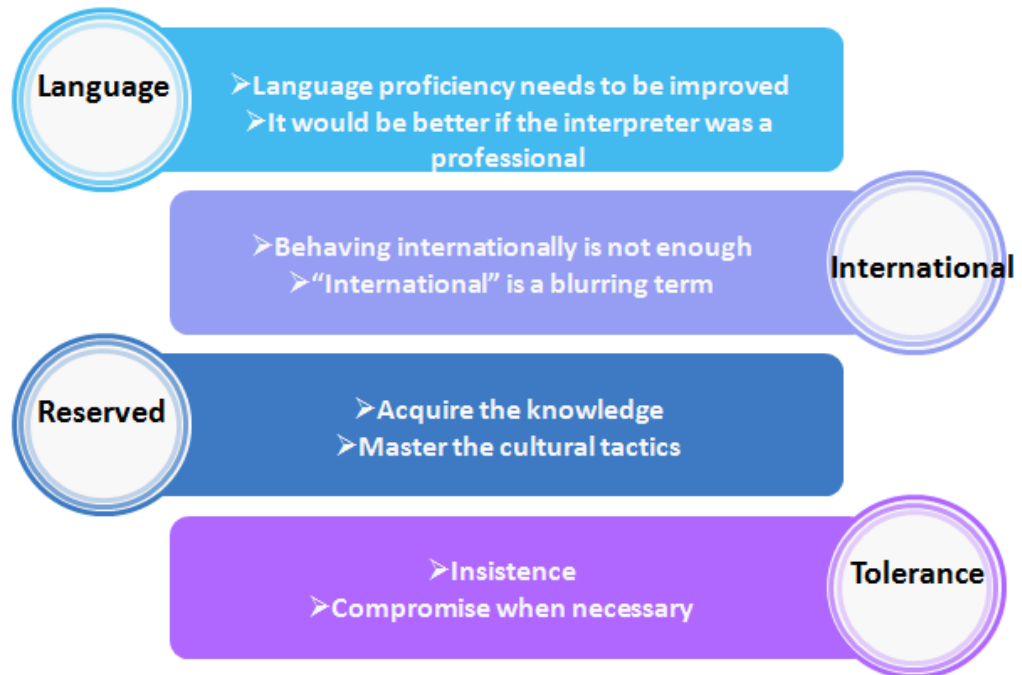


Figure 24. Four major practical cultural issues in Varkaus dismantling project.

In a word, the trouble comes from misunderstandings, and any minor difference could result in such a misunderstanding. Study your potential business partners' business culture before negotiating with them. At least this will prepare you for what to expect. Then, when a problem occurs you will probably be the one who is able reverse the tide and seal a good deal.

Evaluation of the Thesis Process

The whole thesis process has been unexpectedly extended and personally delayed. I made my subject analysis and thesis plan in early 2010, started the actual writing in late November 2011 and finished it in February 2012. The thesis preparation, like the design of the interview questions, the thesis material collection through the interviews and the VDP information gathering took more time than the actual writing. I changed my research case once when I found the previous one couldn't technically provide me with the research chance or the required information that I needed to compile my thesis. Varkaus Paper Machine Dismantling Project was the work that I participated in and followed. For that reason, I have had the chance to do observations, and ensure that all the information is trustworthy and updated.

Good and trustworthy references have been accessed. Though many of them were retrieved from internet, I always made sure that these resources providers were reliable. Not many books were used for references. However, I do not think that this has weakened the persuasive force of the thesis as the arguments in these books were forceful. It is believed that finding the right books is much more useful than using many other books that are not related to the topic.

Not many words were devoted to the similarities between Finnish and Chinese business cultures. Instead, the emphasis was placed on the differences. In the thesis writer's opinion, it is the differences that lead to the communication gap. There is a possibility that the similarities between Finnish and Chinese business cultures are more apparent than real.

Part of the thesis is compiled objectively in an informative and descriptive way; part of it has been done analytically, based on a case study and the interviews conducted. Compared to the time spent finding the right case study, compiling the whole thesis went more smoothly. It was planned to finish the writing a bit earlier. However, due to both internal and external reasons the report process was unexpectedly extended. So it is recommended to make plans carefully, follow the schedule strictly and be adaptive when it is necessary. Fortunately, the thesis report was finally completed.

REFERENCES

Books

Randlesome, C. Gordon, C. Bruton, K. King, P. 1993

Business Culture in Europe, 2nd edition 1993, Redwood Press, Melksham, Wiltshire, Great Britain

Gesteland, R. D. 2002

Cross-Cultural Business Behaviour, Denmark 3rd edition, 2 impressions 2003, Copenhagen Business School Press.

Haigh, R. 2003

Business Brief: Finland, Multiprint Oy, Helsinki, Finland.

Lewis, R. D. 2008

When cultures collide, 3rd edition, Nicholas Brealey International, Boston.

Dahlgren, M. and Nurmelin, M. 1998

Sauna, Sisu and Sibelius for Businesspeople, 1st edition, Yrityskirjat Oy, Finland.

Online References

Ager, S., 2012 (online)

<http://www.omniglot.com/writing/finnish.htm>

Retrieved 20 January 2012

Alto University School of Economics 2011 (online)

Center for Markets in Transition (CEMAT)- Research on Asia- Finnish-Chinese Communication.

<http://cemat.aalto.fi/en/research/asia/fcbc/>

Retrieved 22 November 2011

BBC News 2012 (online)

<http://www.bbc.co.uk/news/world-asia-china-17036070>

Retrieved 17 February 2012

China Highlights 2012 (online)

<http://www.chinahighlights.com/news/around-china/china-public-holidays-schedule-2012.htm>

Retrieved 9 May 2012

Chinavoc.com 2012 (online)

<http://www.chinavoc.com/history/index.asp>

Retrieved 18 February 2012

China Internet Information Center 2012 (online)

<http://www1.china.org.cn/english/China/139691.htm>

Retrieved 17 February 2012

China Steel 2012 (online)

<http://www.cnsteel.com.au/operations.php>

Retrieved 9 May 2012

Cultural China 2012 (online)

<http://www.cultural-china.com/>

Retrieved 9 May 2012

Discovering Finland Guide Oy 2012 (online)

<http://www.discoveringfinland.com/travel/about-finland/quick-guide/facts-figures>

Retrieved 9 May 2012

Embassy of Finland, Ottawa 2012 (online)

<http://www.finland.ca/public/default.aspx?nodeid=36480&contentlan=2&culture=en-US>

Retrieved 20 January 2012

Encyclopedia.com 2012 (online)

<http://www.encyclopedia.com/topic/Finland.aspx>

Retrieved 13 January 2012

Europa-Gateway to the European Union 2011 (on line)

http://europa.eu/about-eu/countries/member-countries/finland/index_en.htm

Retrieved 23 November 2011

Fact Monster 2011 (online)

<http://www.factmonster.com/ipka/A0107513.html>

Retrieved 18 December 2011

Fact Monster 2012 (on online)

<http://www.factmonster.com/ipka/A0107411.html>

Retrieved 17 February 2012

Facts about Lapland 2011 (online)

http://www.ee.oulu.fi/alt07/Facts_about_Lapland.htm

Retrieved 18 December 2011

FBCS-Finnish Business Council, Shanghai 2011 (online)

Events - Joint Chamber Book Launch: China's Need for Small Northern European Friends

<http://www.fbc.fi/events/joint-chamber-book-launch-china-s-need-for-small-northern-european-friends>

Retrieved 22 November 2011

Finnfacts 2011 (online)

<http://www.finnfacts.fi/Facts-about-Finland/Finland-in-brief>

Retrieved 18 December 2011

Finnish Government 2012 (online)

<http://www.vn.fi/etusivu/en.jsp>

Retrieved 22 January 2012

Finnish Meteorological Institute 2011 (online)

<http://en.ilmatieteenlaitos.fi/climate>

Retrieved 23 November 2011

FinNode 2011 (online)

Projects- Ongoing.

<http://www.finnode.fi/en/usa/projects/>

Retrieved 22 November 2011

Heimonen, M. 2011 (online)

Finland Is Bigger Than its Size in China. *Archive: Point of View, Good News from Thu, 3 March, 2011.*

<http://www.goodnewsfinland.com/archive/point-of-view/finland-is-bigger-than-its-size-in-china/>

Retrieved 22 November 2011

Index Mundi 2012 (online)

http://www.indexmundi.com/china/economy_profile.html

Retrieved 18 February 2012

Interklasa 2012 (online)

<http://www.interklasa.pl/portal/dokumenty/ue005/hymne.html>

Retrieved 24 May 2012

International Ice Hockey Federation 2012 (online)

<http://www.iihf.com/home-of-hockey/championships/world-championships.html>

Retrieved 24 May 2012

Ministry of Justice 2012 (online)

<http://vaalit.fi/53635.htm>

Retrieved 17 February 2012

Omniglot 2011 (online)

<http://www.omniglot.com/writing/finnish.htm>

Retrieved 18 December 2011

Posti 2012 (online)

<https://verkkokauppa.posti.fi/PublishedService?pageID=9&itemcode=106658>

Retrieved 15 May 2012

Statistics Finland 2012 (online)

http://www.stat.fi/tup/suoluk/suoluk_kotimaankauppa_en.html

Retrieved 17 January 2012

The kantele shop 2011 (online)

<http://www.kantele.com/about.html>

Retrieved 23 November 2011

The President of the Republic of Finland 2012 (online)

<http://www.tpk.fi/public/default.aspx?contentid=241757&culture=en-US>

Retrieved 17 February 2012

This is Finland 2011 (online)

<http://finland.fi/Public/default.aspx?contentid=160032&nodeid=41803&culture=en-US>

Retrieved 18 December 2011

Umacon Oy 2012 (online)

<http://www.umacon.fi/>

Retrieved 23 November 2011

YLE Uutiset 2012 (online)

http://yle.fi/uutiset/stora_ensu_sulkee_kaksi_paperikonetta_varkaudessa/1812786

Retrieved 10 May 2012

Interviews

Ms Salla Lehtinen - Andritz Oy, Team Leader, Project Assistance Team, 21 June 2010

Mr Mengxiao Zhu - Ruukki Oy, IT Specialist, 19 January 2011

Mr Juhan Suhonen - Danfoss Oy, Sales Manager, 20 June 2011

Mr Vesa Salonen - Umacon Oy, the Owner, 18 October 2011

Mr Zhang Yanchen - Varkaus Dismantling Project, Supervisor, 8 October 2011

APPENDICE

Appendix 1: Interview Questions in English



This interview is designed for the purpose of academic research in the area of Finnish and Chinese business cultures. It aims to find out Finnish-Chinese business culture-related practical issues in the recent business transactions and to find practical solutions for promoting Finnish-Chinese business exchange and cooperation.

Background Information

Name:

Age:

Gender:

Work Company & Department:

Position/Job Title:

Duty:

How does/did your job relate to the Finnish/Chinese business culture environment?

How long have you been working in the current position and/or how long have you been involved in Finnish-Chinese business transactions?

All the following interview questions are designed and supposed to be answered by taking the Finnish-Chinese business cross-cultural factors into account.

1. How do you establish contacts and partnerships with your Finnish/Chinese business partner (your collaborator/colleague/customers)?
2. When the cooperation is finished, do you still keep in touch with your Finnish/Chinese business partner for future business consideration?
3. Once you get a contact, how do you prefer to communicate?(email, phone, face-to-face meeting or some other way)
4. How do you make sure you understand each other, both verbally and nonverbally?
5. Have you ever been in a business meeting with your Finnish/Chinese partner? If so, in what form? What were the difficult parts to handle?
6. During the negotiations, what were the obstacles?
7. What has influenced you most in your decision making? Any cultural matters?
8. Based on your personal experience and observation, in Finnish-Chinese cross-cultural cooperation what can be particularly challenging?
9. From your point of view, what are the most important issues that both Finnish and Chinese partners should emphasise if they want to achieve a win-win situation?
10. What would be your advice for making a better Finnish-Chinese business communication?

Appendix 2: Interview Questions in Finnish

- Translated from the English version with the help of Mr Alexsi Vääntinen



Tämä opinnäytetyöhaastattelu käsittelee Suomen ja Kiinan välisiä kulttuurillisia eroja liike-elämän alueella.

Taustatietoja

Nimi:

Ikä:

Sukupuoli:

Yritys & Osasto:

Ammattinimike:

Tehtävä:

Miten työsi liittyy kiinalaisen yrityskulttuurin ympäristö?

Kuinka kauan olet työskennellyt nykyisessä tehtävässä ja kuinka kauan olet ollut mukana Suomen-Kiinan liiketoimintaan?

Kaikki seuraavat haastattelukysymykset on suunniteltu vastattaviksi niin, että otetaan huomioon Kiinan ja Suomen liike-elämän kulttuurierot.

1. Kuinka luot yhteyksiä ja kumppanuuksia kiinalaisten liikekumppaneiden kanssa?
2. Kun yhteistyö päättyy, pidätkö silti yhteyttä kiinalaisiin liikekumppaneihisi mahdollista tulevaisuuden liiketoimintaa varten?
3. Millä tavalla pidät mieluiten yhteyttä kiinalaisiin liikekumppaneihisi? (Sähköposti, puhelin, kasvokkain, tai jollain muulla tavalla?)
4. Kuinka varmistat että ymmärrätte toisianne, niin verbaalisesti kuin nonverbaalisestikin?
5. Oletko ollut liikekokouksessa kiinalaisen liikekumppanisi kanssa? Jos olet, niin millä tavoin? Ovatko nämä tilanteet vaikeita käsitellä, ja miksi?
6. Millaisia esteitä tai ongelmia neuvotteluiden aikana saattaa ilmetä?
7. Mitkä kulttuuriasiat ovat vaikuttaneet sinuun eniten päätöksenteossa?
8. Mitkä asiat ovat olleet erityisen haastavia suomalaisten ja kiinalaisten välisessä yhteistyössä omien kokemustesi ja havaintojesi mukaan?
9. Mitkä ovat oman näkökantasi mukaan tärkeimmät ongelmat, joihin suomalaisten ja kiinalaisten olisi kiinnitettävä enemmän huomiota, jotta saavutetaan parhaat mahdolliset tulokset?
10. Minkä neuvon antaisit, jotta saavutettaisiin parempi kommunikaatio kiinalaisten ja suomalaisten välillä liike-elämässä?